



# County of Los Angeles CHIEF EXECUTIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION  
LOS ANGELES, CALIFORNIA 90012  
(213) 974-1101  
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA  
Chief Executive Officer

December 18, 2007

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**FIVE-YEAR SUB-LEASE  
DEPARTMENT OF HEALTH SERVICES  
7500 EAST HELLMAN AVENUE, ROSEMEAD  
(FIRST DISTRICT) (3 VOTES)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Approve and instruct the Chairman to sign the five-year sub-lease, with Intercare Health Systems, Inc. f.k.a. National Psychiatric Services, Inc. (Sub-Landlord), for 25,000 square feet of general office, clinic, rehabilitation, and hospital bed space. It includes 48 licensed beds and parking for 53 vehicles in the base rent, for the Department of Health Services (DHS), at an initial annual combined cost of \$1,644,000, including Dietary, Laundry/Linen and Housekeeping Services. All expenses associated with the subject program are net County cost.
2. Consider the Negative Declaration, together with the fact that no comments were received during the public review process. Find that the project will not have a significant effect on the environment, find that the Negative Declaration reflects the independent judgment of the County of Los Angeles (County), approve the Negative Declaration and find that the project will have no adverse effect on wildlife resources, and authorize the Chief Executive Office (CEO) to complete and file a Certificate of Fee Exemption for the project.
3. Approve the project and authorize the CEO and DHS to implement the project. The lease will be effective upon approval by your Board.

Board of Supervisors  
GLORIA MOLINA  
First District

YVONNE B. BURKE  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The County has provided psychiatric services at Los Angeles County-University of Southern California (LAC+USC) Medical Center since the early part of the century. After the Northridge earthquake in January 1994, the Psychiatric Hospital was condemned. Initially, the Psychiatric Adult Inpatient Services for the LAC+USC Medical Center were located at the Metropolitan State Hospital in Norwalk until the State Department of Mental Health exercised a lease cancellation clause. A five-year sub-lease was entered into with National Psychiatric Services, Inc. at Ingleside Hospital in February 1997.

The current lease for the Adult Inpatient Services expired in February 2003, and has been on holdover since that time as both Sub-Landlord and County were unable to resolve the terms and conditions for a new lease. The Sub-Landlord, in August of this year, informed the County that they intended to exercise their cancellation right if the County did not enter into a new lease and fair-market rental agreement. The proposed five-year sub-lease will allow DHS to continue its Psychiatric Adult Inpatient Services for the LAC+USC Medical Center at this leased facility. The new LAC+USC Medical Center, scheduled to open in June 2008, has no psychiatric inpatient beds available to house this requirement.

The current space at 7500 East Hellman Avenue, consists of Building "A" (administrative offices, outpatient service offices, and rehabilitation service offices), Ward "A" (28 licensed beds); and Building "E," Ward "E" (20 licensed beds). The County and the University of Southern California (USC) entered into a contractual teaching relationship in the early 1950's, and the Psychiatric Hospital was an integral part. Ingleside Hospital is approximately seven miles east of the LAC+USC Medical Center. This proximity supports the daily teaching relationship with USC.

### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

The Countywide Strategic Plan directs that we implement a client-centered, information-based health and mental health services delivery system that provides quality services (Goal 7). In this case, we are providing quality services to County clients in need of rehabilitation services, in accordance with Strategic Asset Management Principles as further outlined in Attachment A.

## **FISCAL IMPACT/FINANCING**

The annual rent cost of this sub-lease will initially be \$1,644,000. The monthly base rent is subject to a minimum 2.5 percent and maximum 5 percent annual Consumer Price Index (CPI) adjustment of the previous year base rent throughout the term.

| <b>7500 E. Hellman Ave.<br/>Rosemead</b>   | <b>Current Sub-Lease 70542</b>  | <b>New five-year Sub-Lease</b>  | <b>Changes</b>                       |
|--|---|---|--------------------------------------|
| Area                                       | 25,000 sq. ft including 48 licensed beds  | 25,000 sq. ft. including 48 licensed beds   | None.                                |
| Term                                       | Six years (2/4/97- 2/4/03)<br>Month-to-Month (2/4/03-present)   | Five years, commencing upon Board approval.   | +Five years                          |
| Annual Base Rent                           | \$606,412   | \$ 1,644,000*   | +\$1,037,588**                       |
| Annual Operating Expenses and Reimbursable | Prorated share capped at 40.7 percent of all operating expenses + reimbursable<br>\$658,356 share in 2006 | Included in base rent   | -\$658,356                           |
| Parking                                    | 53 spaces   | 53 spaces   | None                                 |
| Option                                     | None  | Five-year option  | One five-year option                 |
| Cancellation                               | By either party annually with 120 days prior written notice.  | County has right to cancel anytime after the eighteenth month with 60 days prior written notice and a penalty equal to \$5,000 per month of the remaining sub-lease term. | County only has the right to cancel. |

\*The rate is on a full-service basis. The monthly rent totaling \$137,000 consists of three components: \$82,137 rent for two buildings totaling 25,000 square feet with 48 licensed beds and 53 parking spaces, \$28,618 in operating expenses which includes the cost of electrical, gas, common area and maintenance services and \$26,245 in service reimbursement costs which includes supplies, dietary, laundry/linen and housekeeping services provided to the County within the Premises.

\*\*The \$1,037,588 increase in Annual Base Rent has 2 components: (1) A \$379,239 increase in the real estate cost and per bed charge, and (2) Assumption of the payment for Operating Expense (\$343,416) and Reimbursable (\$314,940).

Sufficient funding for the proposed sub-lease and other costs of occupancy are included in the DHS 2007-08 Rent Expense Budget and will be requested in future fiscal years.

## **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The proposed renewal provides 25,000 rentable square feet of space which includes Ward "A" which has 28 licensed beds, Ward "E" which has 20 licensed beds, administrative offices, outpatient service offices, and rehabilitation service offices. The sub-lease contains the following provisions:

- A full-service lease, in which the Sub-Landlord is responsible for providing all services associated with the County's occupancy including utilities, dietary, laundry/linen and housekeeping services and supplies.
- An annual adjustment of the previous year base rent based on the CPI with a minimum of 2.5 percent and capped at 5 percent.
- A cancellation provision allowing the County to cancel anytime after the 18<sup>th</sup> month with 60 days prior written notice and a cancellation penalty equal to \$5,000 per month of the remaining sub-lease term.

State licensing regulations require that the licensed beds must be within 15 miles of LAC+USC Medical Center. The CEO and the Health Services Psychiatric Inpatient Relocation Task Force conducted a survey within a 15 mile radius to identify comparable and more economical sites. There were no sites in the surveyed area that could accommodate the need for psychiatric inpatient beds.

Attachment B shows all County-owned hospital space within the 15 mile search area for this requirement. There are no County owned facilities available for this requirement and as stated, the new LAC+USC Medical center will not have psychiatric inpatient beds available to house this requirement when the hospital opens in June 2008 as projected.

The Department of Public Works inspected this facility for seismic safety and compliance with the Americans with Disabilities Act (ADA) and has no objection to the occupancy of the premises by the County.

#### **NEGATIVE DECLARATION/ENVIRONMENTAL IMPACT REPORT**

The CEO has made an initial study of environmental factors and has concluded that this project is exempt from CEQA pursuant to Class 1, Section r, of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15061 (b) (3) of the State CEQA Guidelines.

#### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

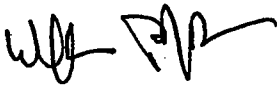
It is the finding of the CEO that the proposed sub-lease is in the best interest of the County and will adequately provide the necessary space for this County requirement. In accordance with your Board's policy on the housing of any County offices or activities, DHS concurs with this sub-lease renewal recommendation.

The Honorable Board of Supervisors  
December 18, 2007  
Page 5

**CONCLUSION**

It is requested that the Executive Officer, Board of Supervisors, return two original sub-lease and two certified copies of the Minute Order and adopted stamped Board letter to the CEO, Real Estate Division, 222 South Hill Street, 4th Floor, Los Angeles, CA 90012 for further processing.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'WTF', followed by a stylized flourish.

WILLIAM T FUJIOKA  
Chief Executive Officer

WTF:DL:JSE  
CEM:TS:hd

Attachments (2)

c: County Counsel  
Department of Health Services

**DEPARTMENT OF HEALTH SERVICES  
7500 EAST HELLMAN AVENUE, ROSEMEAD**

**Asset Management Principles Compliance Form<sup>1</sup>**

|           |   |  |            |           |            |
|-----------|---|--|------------|-----------|------------|
| <b>1.</b> | <b><u>Occupancy</u></b>                                       |  | <b>Yes</b> | <b>No</b> | <b>N/A</b> |
|           | A   | Does lease consolidate administrative functions? <sup>2</sup>  |            |           | X          |
|           | B   | Does lease co-locate with other functions to better serve clients? <sup>2</sup>  |            |           | X          |
|           | C   | Does this lease centralize business support functions? <sup>2</sup>  |            |           | X          |
|           | D   | Does this lease meet the guideline of 200 sq. ft of space per person? <sup>2</sup> <b>No, this is a specialized hospital use and standard guidelines would not be applicable.</b>                        | X          |           |            |
| <b>2.</b> | <b><u>Capital</u></b>   |  |            |           |            |
|           | A   | Is it a substantial net County cost (NCC) program?   | X          |           |            |
|           | B   | Is this a long term County program?  | X          |           |            |
|           | C   | If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?   |            | X         |            |
|           | D   | If no, are there any suitable County-owned facilities available? <b>The new LAC + USC Medical Center will not have psychiatric in-patient beds to house this requirement when it opens in June 2008.</b> |            | X         |            |
|           | E   | If yes, why is lease being recommended over occupancy in County-owned space?   |            |           | X          |
|           | F   | Is Building Description Report attached as Attachment B?   | X          |           |            |
|           | G   | Was build-to-suit or capital project considered?<br><b>No, size of project did not require build-to-suit or capital project because of availability of leased space.</b>                                 |            | X         |            |
| <b>3.</b> | <b><u>Portfolio Management</u></b>                            |  |            |           |            |
|           | A   | Did department utilize CEO Space Request Evaluation (SRE)?   | X          |           |            |
|           | B   | Was the space need justified?  | X          |           |            |
|           | C   | If a renewal lease, was co-location with other County departments considered?  | X          |           |            |
|           | D   | Why was this program not co-located?   |            |           |            |
|           |   | 1. ____ The program clientele requires a "stand alone" facility.   |            |           |            |
|           |   | 2. ____ No suitable County occupied properties in project area.  |            |           |            |
|           |   | 3. <b>X</b> No County-owned facilities available for the project.  |            |           |            |
|           |   | 4. ____ Could not get City clearance or approval.  |            |           |            |
|           |   | 5. ____ The Program is being co-located.   |            |           |            |
|           | E   | Is lease a full service lease? <sup>2</sup>  | X          |           |            |
|           | F   | Has growth projection been considered in space request?  | X          |           |            |
|           | G   | Has the Dept. of Public Works completed seismic review/approval?   | X          |           |            |
|           | <sup>1</sup> As approved by the Board of Supervisors 11/17/98 |  |            |           |            |
|           | <sup>2</sup> If not, why not?                                 |  |            |           |            |

## Attachment B

**SPACE SEARCH - 15 MILE RADIUS OF 7500 EAST HELLMAN AVENUE, ROSEMEAD  
DEPARTMENT OF HEALTH SERVICES**

| <b>LACO</b> | <b>FACILITY NAME</b>                       | <b>ADDRESS</b>                          | <b>SQ. FT.<br/>GROSS</b> | <b>SQ. FT.<br/>NET</b> | <b>OWNERSHIP</b> | <b>SQ. FT.<br/>AVAILABLE</b> |
|-------------|--|---|--------------------------|------------------------|------------------|------------------------------|
| 5260        | CORONER-ADMINISTRATION/<br>INVESTIGATIONS  | 1102 N MISSION RD,<br>LOS ANGELES 90033 | 22,479                   | 14,251                 | OWNED            | NONE                         |
| T542        | MED CTR VARIOUS<br>ADMINISTRATION BUILDING | 1200 N STATE STREET,<br>LOS ANGELES     | 46,205                   | 32,712                 | OWNED            | NONE                         |
| 0808        | MED CTR OLD ADMINISTRATION                 | 1100 N MISSION<br>LOS ANGELES 90033     | 18,651                   | 11,430                 | OWNED            | NONE                         |
| 4946        | MED CTR-INTERNS &<br>RESIDENTS BUILDING    | 2020 ZONAL AVE,<br>LOS ANGELES 90033    | 142,448                  | 79,494                 | OWNED            | NONE                         |
| C110        | MED CTR-EXPENDITURE<br>MANAGEMENT          | 2064 MARENGO ST,<br>LOS ANGELES 90033   | 9,602                    | 7,010                  | LEASED           | NONE                         |

COUNTY OF LOS ANGELES  
CHIEF ADMINISTRATIVE OFFICE  
SUBLEASE AGREEMENT

THIS SUBLEASE is entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 2007 between INTERCARE HEALTH SYSTEMS, INC., f.k.a. NATIONAL PSYCHIATRIC SERVICES ("Sublessor"), and COUNTY OF LOS ANGELES, a body politic and corporate ("Sublessee").

Sublessor and Sublessee agree:

1. BASIC LEASE INFORMATION

1.1 Terms

The following terms as used herein shall have the meanings provided in this Section 1, unless otherwise specifically modified by provisions of this Lease:

|                                    |  |
|------------------------------------|--|
| a. Sublessor's Address For Notice: | City of Angels Medical Center<br>1711 Temple Street<br>Los Angeles, CA 90026<br>Attn: Vicki Gant / Robin Cowles  |
| b. Sublessee's Address For Notice: | Board of Supervisors<br>383 Kenneth Hahn Hall of Administration<br>500 West Temple Street<br>Los Angeles, California 90012<br><br>With a copy to:<br><br>Chief Administrative Office<br>Real Estate Division<br>222 South Hill Street, 3 <sup>rd</sup> Floor<br>Los Angeles, California 90012<br>Attention: Director of Real Estate<br>Fax Number: (213) 217- 4971 |
| c. Premises:                       | 48 licensed hospital beds located in two wards comprising approximately 25,000 rentable square feet in the Buildings (defined below) as shown on Exhibit A attached hereto.  |



|                                       |   |
|---------------------------------------|---|
| d. Buildings:                         | The buildings located at 7500 E. Hellman Avenue, Rosemead, CA, Building "A", Ward "A" (28 licensed beds) and Building "E", Ward "E" (20 licensed beds) and administrative offices, outpatient service offices, and rehab service offices in Building "A"; all of which are located upon the real property described more particularly in Exhibit A attached hereto (the "Property");  |
| e. Term:                              | <p>Five years commencing on the date of mutual execution of this Sublease ("Commencement Date"), subject to earlier termination by Sublessee as provided herein. The phrase "Term of this Sublease" or the "Term hereof" as used in this Sublease, or words of similar import, shall refer to the initial Term of this Sublease together with any additional Extension Terms for which an option has been validly exercised.</p> <p>Additionally, Sublessee shall have the option to extend the Term for an additional five years, under the same terms and conditions as contained herein except that the Basic Rent shall be adjusted, as set forth herein below.</p> |
| f. Projected Commencement Date:       | The later of December 1, 2007, or the date of mutual execution of the Sublease by the parties, including master-lessor concurrence.   |
| g. Commencement Date:                 | _____   |
| h. Irrevocable Offer Expiration Date: | <u>December 30, 2007</u>  |
| i. Basic Rent:                        | \$137,000 per month   |

|  |   |
|--|---|
| j. Early Termination Notice Date:  | Any time after the 18 <sup>th</sup> month of the Term hereof.   |
| k. Rentable Square Feet in the Premises:   | Approximately 25,000  |
| l. Use:  | General office use, clinic, rehabilitation and hospital bed purposes (excluding Adolescent and/or Child Patients), and for any other lawful purposes not incompatible with other uses in the Buildings.   |
| m. Initial Departmental Use:   | Department of Health Services   |
| n. Parking Spaces:   | 53 off-street, in-and-out   |
| o. Normal Working Hours:   | 24 hours per day, 7 days per week, including all holidays.  |
| p. Asbestos Report:  | A report dated September 7, 2006 prepared by AEI Consultants, a licensed California Asbestos contractor.  |
| 1.2 Exhibits to Sublease:<br>(executed concurrently with this Lease and made a part hereof by this reference): | Exhibit A - Floor Plan of Premises and Legal Description of Property<br>Exhibit B - Commencement Date Memorandum and Confirmation of Lease Terms<br>Exhibit C - HVAC Standards<br>Exhibit D – Dietary Services Statement of Work<br>Exhibit E – Laundry/Linen Statement of Work<br>Exhibit F – Housekeeping Statement of Work |
| 1.3 Supplemental Sublease Documents:<br><br>(delivered to Sublessor and made a part hereof by this reference): | Document I: Subordination, Non-disturbance and Attornment Agreement<br>Document II: Sublessee Estoppel Certificate<br>Document III: Community Business Enterprises Form<br>Document IV: Memorandum of Lease<br>Document V: Request for Notice   |

2. PREMISES

Sublessor does hereby sublease to Sublessee, and Sublessee does hereby sublease from Sublessor, upon the terms and conditions herein set forth, the Premises described in Section 1 and Exhibit A attached hereto.

3. COMMON AREAS

Sublessee may use the following areas ("Common Areas") in common with Sublessor and other Sublessees or occupants of the Buildings: the entrances, lobbies and other public areas of the Buildings, walkways, landscaped areas, driveways necessary for access to the Premises, parking areas and other common facilities designated by Sublessor from time to time for common use of all Sublessees of the Buildings. Sublessee shall comply with all reasonable, non-discriminatory rules and regulations regarding the use of the Common Area established by Sublessor.

4. COMMENCEMENT AND EXPIRATION DATES

4.1 Term

The term of this Sublease shall commence upon the Commencement Date and terminate five years thereafter (the "Termination Date"). Within 30 days of determining the Commencement Date, Sublessor and Sublessee shall acknowledge in writing the Commencement Date by executing the Commencement Date Memorandum and Confirmation of Lease Terms attached as Exhibit B.

4.2 Option to Extend Term

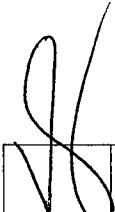
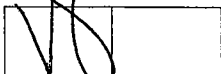
- (i) Sublessor hereby grants to Sublessee one (1) option ("Option") to extend the Term of this Sublease for an additional period of sixty (60) months ("Option Term"). The Option must be exercised, if at all, by letter from Sublessee's Chief Executive Office ("CEO") ("Option Notice") delivered by Sublessee to Sublessor not later than one hundred eighty (180) days prior to the end of the initial Term of this Sublease, as applicable. Further, the Option shall not be deemed to be properly exercised if, as of the date of the Option Notice or at the end of the initial Term of this Lease, as applicable Sublessee: (a) is in material default under this Sublease or (b) has assigned all or any portion of this Sublease or its interest therein, or has sublet all or any portion of the Premises, in violation of the Sublease provided Sublessee has properly and timely exercised the Option the then-current term of the Sublease shall be extended for the Option Term and all terms, covenants and conditions of the Sublease shall remain unmodified and in full force and effect,

except that: (i) Sublessor shall have no obligation to make any Sublessee improvements or provide any allowance therefore, and (ii) the Basic Rent shall be modified as set forth in subsections (ii), (iii) and (iv) below.

- (ii) The Basic Rent payable for the first year of an Option Term shall be equal to the greater of: (a) of the then-prevailing fair market rental value of the Premises, determined as set forth herein, or (b) the Basic Rent payable by Sublessee to Sublessor during the final month of the initial Term of this Lease. The monthly Basic Rent for the Option Term shall be adjusted as provided in Section 4.2(v) below. If Sublessor determines that the Basic Rent for the Option Term shall be based upon the calculation described in clause (b) above, such determination shall be conclusive, Sublessee shall have no right to object thereto, and the following provisions regarding the determination of fair market rental value shall not apply. If Sublessor determines that the Basic Rent for the Option Term shall be the fair market rental value of the Premises pursuant to clause (a) above, Sublessor shall make a good faith, commercially reasonable determination of fair market rental value. As used herein, "fair market rental value" shall mean the annual amount per rentable square foot being charged at the time of such determination for similarly improved Hospital space in comparable buildings (age, design, quality and relative location in the vicinity in which the Building are Situated) located within a 5-mile radius of the Premises, on leases for delivery on or about the applicable delivery or effective date of the Option Term, taking into consideration annual rental rates per rentable square foot, age and condition of building, the type of escalation clauses, Sublessee improvements or allowances provided or to be provided for such comparable space, rental abatement concessions, if any, the length of the relevant term, and any other relevant terms or conditions. It shall be understood, however, no reduction or increase in rent shall be based on the presence or absence of a brokerage commission may be considered in Sublessor's determination of fair market rental value. Sublessor shall provide Sublessee with its determination of fair market rental value in writing not later than one hundred twenty (120) days prior to the expiration of the current Term. Sublessee shall have thirty (30) days after receipt of Sublessor's notice of its fair market rental value determination within which to accept such fair market rental value or to object thereto in writing and provide its own reasonable determination of fair market rental value. In the event Sublessee objects to the fair market rental value submitted by Sublessor, Sublessor and Sublessee shall attempt in good faith to agree upon such fair market rental value, using their best good faith efforts. If Sublessor and Sublessee fail to reach agreement on such fair market rental value within thirty (30) days following

Sublessor's receipt of Sublessee's written objection (the "Outside Agreement Date"), then each party's determination of fair market rental value shall be submitted to arbitration in accordance with section (iii) below.

- (iii) Sublessor and Sublessee shall each appoint one arbitrator who shall be: (a) professional a real estate broker who has been active over the five (5) year period ending on the date of such appointment in the leasing of commercial properties in the area in which the Buildings are located or (b) an individual who shall be designated as a Member, Appraisal Institute of Real Estate Appraisers (MAI) or a member of the Society of Real Estate Appraisers (SREA) and who shall has active over the five (5) year period ending on the date of such appointment in the appraisal of commercial properties located in Los Angeles County. The determination of the selected arbitrators shall be limited solely to the issue of whether Sublessor's or Sublessee's submitted fair market rental value for the Premises is closer to the actual fair market rental value for the Premises, taking into account the requirements of section 4.2(ii) above and this section 4.2 regarding the same. Each such arbitrator shall be appointed within fifteen (15) days after the Outside Agreement Date.
- (1) The two arbitrators so appointed shall, within fifteen (15) days of the date of the appointment of the last appointed arbitrator, agree upon and appoint a third arbitrator who shall be qualified under the same criteria set forth hereinabove for qualification of the initial two arbitrators.
- (2) The three arbitrators shall, within thirty (30) days of the appointment of the third arbitrator, reach a decision as to whether the parties shall use Sublessor's or Sublessee's submitted fair market rental value, and shall notify Sublessor and Sublessee thereof. Such decision shall be based upon the factors described in section 4.2(ii) above.

  
  
Initial

- (3) The decision of the majority of the three arbitrators shall be final and binding upon Sublessor and Sublessee.
  - (4) If either Sublessor or Sublessee fails to appoint an arbitrator within the time period specified in this Section 4.2, the arbitrator appointed by one of them shall reach a decision, notify Sublessor and Sublessee thereof, and such arbitrator's decision shall be binding upon Sublessor and Sublessee.
  - (5) If the two arbitrators fail to agree upon and appoint a third arbitrator, both arbitrators shall be dismissed and the matter to be decided shall be forthwith submitted to arbitration under the provisions of the American Arbitration Association. The cost of such arbitration shall be paid by Sublessor and Sublessee equally.
- (iv) Notwithstanding the fair market rental value for the Premises selected by the arbitrators, in no event shall the Basic Rent for the Option Term be less than the Basic Rent payable by Sublessee during the final year of the Term of this Sublease immediately prior to the Option Term.
  - (v) Basic Rent shall be adjusted on the first day of the first full month following the first anniversary of the first day of the Option Term ("Option Commencement Date") and thereafter, for each year remaining of the applicable Option Term, on the anniversary of such day (each, an "Adjustment Date"), as follows:

The base for computing the adjustment is the Consumer Price Index for All Urban Consumers, Los Angeles-Anaheim-Riverside areas, all items (1982-84 = 100), published by the United States Department of Labor ("Index"), which is published for the month which is three (3) months prior to the Option Commencement Date ("Reference Index"). The Index published for the month which is three (3) months prior to the applicable Adjustment Date (the "Comparison Index") shall be used for determining the increase in Basic Rent on such Adjustment Date.

If on any Adjustment Date the Comparison Index is greater than the Reference Index, then the Basic Rent for the following twelve (12) month period shall be the amount determined by multiplying the Basic Rent payable for the first full month of the Option Term by a fraction, the numerator of which is the Comparison Index and the denominator of which is the Reference Index. Sublessor and Sublessee hereby acknowledge and agree that, the foregoing notwithstanding, Basic Rent shall be increased on each and every Adjustment Date by no less than two and one-half percent (2.5%)

but no more than five percent (5%) above the Basic Rent in effect immediately prior to such Adjustment Date.

#### Early Termination

Sublessee shall have the right to terminate this Sublease at any time after the Early Termination Notice Date, as defined in Section 1, by giving Sublessor not less than 60 days prior written notice executed by the CEO of Sublessee.

### 5. RENT

Sublessee shall pay Sublessor the Basic Rent stated in Section 1 during the Term hereof within 15 days after a claim therefore for each such month has been filed by Sublessor with the Auditor of the County of Los Angeles (the "County") prior to the first day of each month. Basic Rent for any partial month shall be prorated in proportion to the number of days in such month.

Included in the Basic Rent is the Sublessee's prorated share of "Common Area Operating Expenses" as defined in Section 32 of this Sublease. Sublessee's percentage of such cost is forty and seven tenths of one percent (40.7%) which is based upon the Sublessee's number of licensed beds (48) compared to the total number of licensed beds in the Hospital (118). Sublessee's year estimated pro-rated share for the first year of the Term hereof is \$28,000 per month, included in the Basic Rent.

Also included in the Basic Rent are: (a) the parking spaces, (b) all the Dietary Services (estimated to be \$26,249 per month) indicated on the attached Exhibit D, estimated not to exceed 4,380 meals per month (48 licensed beds X 3 meals per day), (c) Laundry/Linen Services indicated on the attached Exhibit F, estimated not to exceed 6,994 pounds of laundry per month (48 licensed beds X 4.7 pounds of laundry per day), (d) all Housekeeping Services (as outlined on the attached Exhibit F), (e) HVAC Services (as outlined on the attached Exhibit C), and, (f) all other services (including but not limited to security, repairs and maintenance) associated with Sublessee's occupancy of the Premises.

#### 5.1 RENTAL ADJUSTMENT:

##### A. Rental Adjustment Period

For each successive 12 months of the original Term of this Sublease, the monthly Basic Rent shall be subject to adjustment. At the first anniversary date of the first day of the first full calendar month following the Commencement Date of this Sublease and every 12 months thereafter, the Basic Rent shall be adjusted in accordance with the CPI formula as set forth below (subparagraph

B). The "Base Index" shall be the Index published for the month the Sublease commences.

B. CPI Formula:

The method for computing the bi-annual rental adjustment shall be by reference to the Consumer Price Index for all Urban Consumers for the Los Angeles-Riverside-Orange Co. area, all items published by the United States Department of Labor, Bureau of Labor Statistics (1982-84 = 100), herein referred to as "Index".

The rental adjustment for the Basic Rent shall be calculated by multiplying the Basic Rent by a fraction, the numerator being the New Index, which is the Index published for the month immediately preceding the month the adjustment is to be effective, and the denominator being the Base Index then adding or subtracting to that total result the Amount needed to amortize Sublessee's additional Lessee improvements plus change order costs, if any.

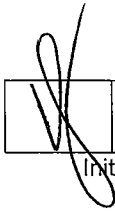
The formula shall be as follows:

$$(\text{New Index} \div \text{Base Index}) \times (\text{Basic Rent}) = \text{Adjusted Rental Rate}$$

or

$$(\text{New Index} \div \text{Base Index}) \times (\$137,000) = \text{Adjusted Rental Rate}$$

If the Index is changed so that the base year of the Index differs from that used as of the Commencement Date of the Sublease, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the Index is discontinued or revised during the term of this Sublease, such other governmental Index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the Index had not been discontinued or revised. In the event the parties are unable to agree upon a substitute index (if the original index is discontinued without a replacement) then upon demand by either party, the matter shall be submitted to arbitration in accordance with the provisions of California Code of Civil Procedure Section 1280 et. seq. as they now exist or may later be amended for the purpose of determining an alternate method of computing the rental adjustment based upon the increase in the cost of living.

  
Initial



C. General Provisions:

The monthly rental adjustment based upon the CPI formula set forth above shall not result in an annual increase of less than two and one-half percent (2.5%) nor greater than five percent (5%) per year of the Basic Rent in effect at the commencement of the Term. By way of illustration, if the total Basic Rent at the time of commencement of the term is \$100,000, then in no event shall the rental adjustment be less than \$2,500 per month nor greater than \$5,000 per month in any annual adjustment.

6 USES

The Premises are to be used only for the uses set forth in Section 1 and for no other business or purpose; however, Sublessor shall not unreasonably withhold its consent to a change of use.

7 HOLDOVER

If Sublessee remains in possession of the Premises or any part thereof after the expiration of the Term of this Sublease, such occupancy shall be a tenancy which is terminable only upon 90 days written notice from Sublessor or 30 days written notice from the CEO of Sublessee at the last monthly Basic Rent payable under this Sublease (as such Basic Rent may be adjusted from time to time in accordance with this Sublease) plus all other charges payable under this Sublease, and subject to all of the terms, covenants and conditions of this Sublease.

8. COMPLIANCE WITH LAW

Sublessee shall, at Sublessee's expense, comply promptly with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect during the term hereof, regulating the use, occupancy or improvement of the Premises by Sublessee. Sublessor, not Sublessee, shall, at its sole cost, at all times cause the Premises and the Buildings to comply with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect and binding upon Sublessee or Sublessor during the term hereof, including without limitation, the Americans with Disabilities Act, except to the extent such compliance is made necessary as a result of Sublessee's particular use of or alterations or improvements to the Premises.

9. DAMAGE OR DESTRUCTION

9.2 Damage

In the event any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable

and the Premises may be restored within the Estimated Repair Time to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty, then Sublessor shall promptly, at Sublessor's expense, repair such damage and this Sublease shall continue in full force and effect, provided that AFG Investment Funds, LLC ("Master-Lessor") does not terminate its lease dated September 29, 2006 with the Sublessor ("Master Lease"). If all or any portion of the premises shall be made untenable by fire or other casualty, Sublessor shall immediately secure the area to prevent injury to persons and /or vandalism to the improvements. Sublessor shall promptly, but in any event within ten days, cause an architect or general contractor selected by Sublessor to provide Sublessor and Sublessee with a written estimate of the amount of time required to substantially complete the repair and restoration of the Premises and make the Premises Sublesseeable again using standard working methods ("Estimated Repair Time"). The failure to do so shall be a material Default hereunder. Basic Rent shall abate to the extent that the Premises are unusable by Sublessee. Sublessee waives the provisions of California Civil code Sections 1932(2) and 1933(4) with respect to any partial or total destruction of the Premises.

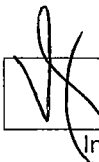
#### 9.3 Sublessee Termination Right

In the event any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable and the Premises will not be restored per the Estimated Repair Time, to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty in less than 180 days for any reason, then Sublessee may terminate this Sublease by giving written notice within ten days after notice from Sublessor specifying the Estimated Repair Time; and this Sublease shall terminate and the Basic Rent shall be abated from the date the Premises became unSublesseeable. In the event that Sublessee does not elect to terminate this Sublease, Sublessor shall promptly commence and diligently prosecute to completion the repairs to the Buildings or Premises, provided insurance proceeds are available to repair the damages.

#### 9.4 Damage In Last Year

Notwithstanding the foregoing provisions, if any material destruction to the Premises occurs during the last year of the Term, either Sublessor or Sublessee may terminate this Sublease by giving notice to the other not more than 30 days after such destruction, in which case:

- 9.4.1 Sublessor shall have no obligation to restore the Premises,
- 9.4.2 Sublessor may retain all insurance proceeds relating to such destruction, and

  
Initial

9.4.3 This Sublease shall terminate as of the date which is 30 days after such written notice of termination.

9.5 Default By Sublessor

If Sublessor is required to repair and restore the Premises as provided for in this Section and Sublessor should fail to thereafter pursue said repair and restoration work with reasonable diligence to completion, Sublessee may:

9.5.1 Declare a default hereunder; or

9.5.2 Perform or cause to be performed the restoration work and deduct the cost thereof plus interest thereon at ten percent (10%) per annum, from the Basic Rent next due as a charge against the Sublessor.

10. REPAIRS AND MAINTENANCE

10.2 Sublessor Representations

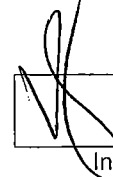

Sublessor represents to Sublessee that:

10.2.1 The Premises, the Buildings, the Hospital and all Common Areas (including electrical, heating, ventilating, and air conditioning ("HVAC"), mechanical, plumbing, gas and fire/life safety systems in the Building and similar building service systems) comply with all current laws, codes, good working order and condition;

10.2.2 The Buildings, the Hospital, and Premises comply with all covenants, conditions, restrictions and insurance underwriter's requirements; and

10.2.3 The Premises, Buildings, the Hospital, and Common Areas are free of the presence of Hazardous Materials (as hereinafter defined); and

10.2.4 Sublessor has not received any notice from any governmental agency that the Hospital, the Buildings, or the Premises are in violation of any law or regulation. Sublessor represents, based upon a professional inspection of the Premises, the Buildings and the Hospital and the Asbestos Report that the Premises, the Buildings and the Hospital contain no asbestos containing materials (other than as may be reflected in the Asbestos Report). Sublessor shall, prior to Sublessee's occupancy, abate, at Sublessor's sole cost and expense, all asbestos-containing materials to the extent required by law and provide Sublessee with an

   
Initial

updated report from a licensed California Asbestos contractor to that effect.

### 10.3 Sublessor Obligations

10.3.1 Sublessor shall keep and maintain in good repair and working order and promptly make repairs to and perform maintenance upon and replace as needed:

10.3.1.1.1.1 The structural elements of the Buildings, including without limitation, all permanent exterior and interior walls, floors and ceilings, roof, concealed plumbing, stairways, concealed electrical systems and telephone intra-buildings network cable

10.3.1.1.1.2 Mechanical (including HVAC), electrical, plumbing and fire/life systems serving the Buildings

10.3.1.1.1.3 The Common Areas;

10.3.1.1.1.4 Exterior windows of the Buildings; and

10.3.1.1.1.5 Elevators serving the Buildings

10.3.2 Sublessor, at its sole cost and expense, shall also perform all maintenance and repairs to the Premises, and shall keep the Premises in good condition and repair, reasonable wear and tear excepted. Sublessor's repair obligations include, without limitation, repairs to:

10.3.2.1.1.1 The floor covering (if such floor covering is carpeting it shall be replaced as needed but not less often than after five years of use);

10.3.2.1.1.2 Interior partitions;

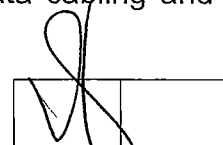
10.3.2.1.1.3 Doors;

10.3.2.1.1.4 The interior side of demising walls (which shall be repainted as needed but not less often than every five years) and

10.3.2.1.1.4 Signage.

### 10.4 Sublessee Obligations

Without limiting the foregoing, Sublessee shall, at Sublessee's sole expense, be responsible for the cost of repairing any area damaged by Sublessee or Sublessee's agents, employees, invitees and visitors and the repair of low voltage electronic, phone and data cabling and related

  
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equipment that is installed by or for the exclusive benefit of Sublessee. All repairs and replacements shall:

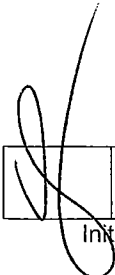
10.4.1 Be made and performed by contractors or mechanics approved by Sublessee, which approval shall not be unreasonably withheld or delayed,

10.4.2 Be at least equal in quality, value and utility to the original work or installation, and

10.4.3 Be in accordance with all laws.

10.5 Sublessee's Right To Repair

If Sublessee provides written notice (or oral notice in the event of an emergency such as damage or destruction to or of any portion of the Buildings' structure and/or the Buildings' systems and/or anything that could cause material disruption to Sublessee's business) to Sublessor of an event or circumstance which requires the action of Sublessor with respect to repair and/or maintenance, and Sublessor fails to provide such action within a reasonable period of time, given the circumstances, after the giving of such notice, but in any event not later than five days after the giving of such notice, then Sublessee may proceed to take the required action. Notwithstanding the foregoing, in the event of an emergency which threatens life or where there is imminent danger to property or a possibility that a failure to take immediate action could cause a material disruption in Sublessee's normal and customary business activities, no such notice shall be required and Sublessee may immediately proceed to take the required action. Sublessee shall have access to the Buildings to the extent necessary to perform the work contemplated by this provision. If such action was required under the terms of this Sublease to have been taken by Sublessor and was not taken by Sublessor within such period (unless such notice was not required as provided above), and Sublessee took such required action, then Sublessee shall be entitled to prompt reimbursement by Sublessor of Sublessee's reasonable costs and expenses in having taken such. If not reimbursed by Sublessor within ten days, Sublessee shall be entitled to deduct from Basic Rent payable by Sublessee under this Sublease the amount set forth in its invoice for such work. The remedies provided in this Section are in addition to the remedies provided in Section 14.

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11. SERVICES AND UTILITIES

Sublessor shall furnish the following services and utilities to the Premises:

11.2 HVAC

Sublessor shall furnish heating, ventilation and air conditioning ("HVAC"), during Normal Working Hours in amounts required for the use and occupancy of the Premises for the use set forth in Section 1 to a standard comparable to other first-class in-patient facilities and not less than the standard set forth in Exhibit C attached hereto.

11.3 Electricity

Sublessor shall furnish to the Premises the amount of electric current provided for in the Working Drawings (if applicable) but in any event not less than seven watts of electric current (connected load) per square foot of Rentable Square Feet in the Premises, for power and lighting and electric current for HVAC, and Sublessor shall provide the existing or new transformers or sub-panels on each floor of the Premises necessary for Sublessee to utilize such capacity in the Premises.

11.4 Elevators

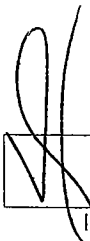
Sublessor shall furnish freight and passenger elevator services to the Premises during Normal Working Hours. During all other hours, Sublessor shall furnish passenger elevator cab service in the elevator bank serving the Premises on an as-needed basis, and, by prior arrangement with Sublessor's building manager, freight elevator service.

11.5. Water

Sublessor shall make available water for normal lavatory and potable water meeting all applicable governmental standards for drinking purposes in the Premises.

11.6 Janitorial

Sublessor shall provide janitorial service on seven days per week generally consistent with that furnished in comparable in-patient facilities in the County of Los Angeles, but not less than the services set forth in the specifications set forth in Exhibit F attached hereto.

  
Initial

11.7 Access

Sublessor shall furnish to Sublessee's employees and agents access to the Hospital, Buildings, Premises and Common Areas on a seven day per week, 24-hour per day basis, subject to compliance with such reasonable security measures as shall from time to time be in effect for the Buildings and Hospital.

11.8 Dietary and Laundry/Linen Services

Sublessor shall provide Dietary Services in compliance with the standards specified in Exhibit D, and Laundry/Linen Services in compliance with the standards set forth in Exhibit E, both of which are attached hereto and incorporated herein.

12 SUBLESSOR ACCESS

Sublessee shall permit Sublessor and its agents to enter the Premises upon prior written notice for the purpose of inspecting the Premises for any reasonable purpose. If Sublessor temporarily closes any portion of the Buildings or Premises, Basic Rent shall be prorated based upon the percentage of the Premises or Buildings rendered untenable and not used by Sublessee. Sublessor shall have the right at any and all time to enter the Premises in the event of an emergency.

13. SUBLESSEE DEFAULT

13.2 Default

The occurrence of any one or more of the following events (a "Default") shall constitute a material default and breach of this Sublease by Sublessee:

13.2.1 The failure by Sublessee to make any payment of Basic Rent or any other payment required to be made by Sublessee hereunder (except to the extent an offset is expressly permitted hereunder), as and when due and if the failure continues for a period of ten days after written notice to Sublessee;

13.2.2 The failure by Sublessee to observe or perform any of the other covenants, conditions or provisions of this Sublease, where such failure shall continue for a period of 30 days after written notice from Sublessor specifying in detail the nature of the default; provided, however, if more than 30 days are reasonably required for its cure then Sublessee shall not be deemed to be in default if Sublessee commences

such cure within said 30-day period and thereafter diligently prosecutes such cure to completion.

13.3 Termination

Sublessee agrees that if a Default should occur and should not be cured within the time periods set forth above, it shall be lawful for Sublessor to terminate this Sublease upon the giving of written notice to Sublessee. In addition thereto, Sublessor shall have such other rights or remedies as may be provided by law.

13.4 No Effect On Indemnity

Nothing in this Section 13 shall be deemed to affect either Sublessor or Sublessee's right to indemnification under any indemnification clause or clauses set forth in this Sublease.

14. SUBLESSOR DEFAULT

14.2 Remedies

In addition to the provisions for Sublessor's default provided by Sections 9.4, 10.3, 19 and 20.2, Sublessor shall be in default in the performance of any obligation required to be performed by Sublessor under this Sublease if Sublessor has failed to perform such obligation within five days after the giving of written notice with respect thereto by Sublessee (which notice shall be, if appropriate, the same notice given under Section 10.3); provided, however, that if the nature of such default is such that the same cannot reasonably be cured within such five day period, Sublessor shall not be deemed to be in default if Sublessor shall within such period commence such cure and thereafter diligently prosecute the same to completion. If the default by Sublessor ("Sublessor Default") is of such a nature that it materially and substantially interferes with Sublessee's occupancy and use of the Premises and if such Sublessor Default is not cured within the foregoing cure period, then Sublessee shall have the right, at its option, with or without further notice or demand of any kind to Sublessor or any other person, to any one or more of the following described remedies in addition to all other rights and remedies provided at law or in equity or elsewhere herein:

14.2.1 To remedy such default or breach and deduct the costs thereof (including but not limited to attorney' fees) from the installments of Basic Rent next coming due;

14.2.2 To pursue the remedy of specific performance;



14.2.3 To seek money damages for loss arising from Sublessor's failure to discharge its obligations under this Lease or offset such damages against Basic Rent next coming due; and/or

14.2.4 To terminate this Sublease.

#### 14.3 Waiver

Nothing herein contained shall relieve Sublessor from its duty to effect the repair, replacement, correction or maintenance required to restore any affected services, or to perform any other obligations to the standard prescribed in this Sublease, nor shall this Section be construed to obligate Sublessee to undertake any such work.

#### 14.4 Emergency

Notwithstanding the foregoing cure period, Sublessee may cure any default without notice where the failure promptly to cure such default would, in the reasonable opinion of Sublessee, create or allow to persist an emergency condition or materially and adversely affect the operation of Sublessee's business in the Premises.

### 15. ASSIGNMENT AND SUBLETTING

Sublessee may assign, mortgage, encumber or otherwise transfer this Sublease or sublet the whole or any part of the Premises without first obtaining Sublessor's prior consent: provided, however, no such assignment, subletting or other transfer shall relieve Sublessee of any liability under this Sublease unless Sublessor has given its written consent thereto, which Sublessor shall not unreasonably withhold if the assignee has a financial condition which is reasonably sufficient for it to be responsible for all future obligations under this Sublease.

### 16. ALTERATIONS AND ADDITIONS

#### 16.2 Sublessor Consent

Sublessee shall not make any structural alterations, improvements, additions, or utility installations in or about the Premises (collectively, "Alteration(s)") without first obtaining the written consent of Sublessor, which consent shall not be unreasonably withheld, conditioned or delayed. However, Sublessor's consent shall not be required for any Alteration that satisfies all of the following criteria:

16.2.1 Complies with all laws;

16.2.2 Is not visible from the exterior of the Premises or Building;

16.2.3 Will not materially affect the systems or structure of the Buildings; and

16.2.4 Does not unreasonably interfere with the normal and customary business office operations of other tenants in the Buildings.

If Sublessor fails to respond in writing within 30 days of such request, Sublessor shall be deemed to approve the Alterations.

### 16.3 End of Term

Any Alterations not removed by Sublessee shall become the property of Sublessor and remain upon and be surrendered with the Premises at the expiration of the Term.

## 17. CONDEMNATION

### 17.2 Controlling Terms

If during the Term, or during the period of time between the execution of this Sublease and the Commencement Date, there is any taking of all or any part of the Premises or any interest in this Sublease by Condemnation (as defined below), this Section shall determine the rights and obligations of Sublessee and Sublessor. "Condemnation" shall mean the exercise of any governmental power to take title to any portion of the Premises, whether by legal proceedings or otherwise, by a Condemnor, either under threat of a Condemnor's exercise of such power or while legal proceedings are pending for the exercise of such power. "Condemnor" shall mean any public or quasi-public authority, or private corporation or individual, having the power of Condemnation.

### 17.3 Total Taking

If the Premises are totally taken by Condemnation, this Sublease shall terminate on the date the Condemnor has a right to possession of the Premises (the "Date of Taking").

### 17.4 Partial Taking

If any portion, but not all, of the Premises is taken by condemnation, this Sublease shall remain in effect, except that Sublessee may elect to terminate this Sublease if, in Sublessee's reasonable judgment, the remaining portion of the Premises (including without limitation the space available for parking) is rendered unsuitable for Sublessee's continued use

of the Premises. If Sublessee elects to so terminate this Sublease, Sublessee must exercise its right to terminate by giving notice to Sublessor within 30 days after the date that the nature and the extent of the condemnation have been determined (the "Determination Date"), which notice shall set forth the date of termination. Such termination date shall not be earlier than 30 days or later than 90 days after Sublessee has notified Sublessor of its election to terminate; except that this Sublease shall terminate on the Date of Taking if the Date of Taking falls on a date before the date of termination as designated by Sublessee. If Sublessee does not so notify Sublessor within 30 days after the Determination Date, all obligations of Sublessee under this Sublease shall remain in effect, except that Basic Rent shall be equitably abated.

#### 17.5 Restoration

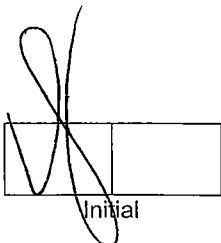
Notwithstanding the preceding paragraph, if, within 30 days after the Determination Date, Sublessor notifies Sublessee that Sublessor at its cost will add to the remaining Premises so that the area of the Premises and the space available for parking, will be substantially the same after the Date of Taking as they were before the Date of Taking, and Sublessor commences the restoration promptly and, subject to reasonable allowance for delays that are not caused by Sublessor, completes it within 90 days after Sublessor so notifies Sublessee, this Sublease shall continue in effect. All obligations of Sublessee under this Sublease shall remain in effect, except that Basic Rent shall be equitably abated or reduced during the period from the Date of Taking until the completion of such restoration.

#### 17.6 Award

The Award (as defined below) shall be divided between Sublessor and Sublessee as their respective interests may appear. "Award" shall mean all compensation, sums or anything of value awarded, paid or received on a total or partial Condemnation of the Premises.

#### 17.7 Waiver of Statue

Sublessor and Sublessee hereby waive the provision of California Code of Civil Procedure section 1265.130 allowing Sublessor or Sublessee to petition the Superior Court to terminate this Sublease in the event of a partial taking of the Premises.



Initial

## 18. INDEMNIFICATION

### 18.2 Sublessee's Indemnity

Sublessee shall indemnify, defend and hold Sublessor harmless from and against all loss, cost and expense, including attorney' fees, arising from any injury or damage to any person or property, occurring in or about the Buildings or Premises as a result of any negligent act, omission or willful misconduct of Sublessee or its employees, or arising from any breach or default under this Sublease by Sublessee. The foregoing provisions shall not be construed to make Sublessee responsible for loss, damage, liability or expense resulting from injuries to third parties caused by the negligence or willful misconduct of Sublessor, or Master-Lessor or their officers, contractors licensees, agents, employees or invitees.

### 18.3 Sublessor's Indemnity

Sublessor shall indemnify, defend and hold Sublessee harmless from and against all loss, cost and expense, including attorneys' fees, arising from any injury or damage to any person or property, occurring in or about the Buildings or Premises as a result of any negligent act, omission or willful misconduct of Sublessor, or its officers, contractors, licensees, agents, employees, guests, or visitors, or arising from any breach or default under this Sublease by Sublessor. The foregoing provisions shall not be construed to make Sublessor responsible for loss, damage, liability or expense resulting from injuries to third parties caused by the negligence or willful misconduct of Sublessee, or its officers, contractors, licensees, agents, employees or invitees.

## 19. INSURANCE

### 19.2 Sublessor's insurance

During the term of this Sublease, Sublessor shall maintain the following insurance:

- a. Commercial property insurance which shall:
  - i. Cover damage to Sublessor's property, including improvements and betterments, from perils covered by the causes-of-loss special form (ISO form CP 10 30), and include ordinance or law coverage (and coverage against acts of terrorism to the extent such coverage is reasonably available and priced at commercially reasonable rates) and
  - ii Be written for full replacement cost of the property, with a deductible of no greater than 5% of the property value.

- iii. Sublessor shall carry insurance on any furniture and furnishings which will become the property of Sublessee at the expiration of the Term and on all modular furniture installed in the Premises.

Insurance proceeds shall be payable to Sublessor and Sublessee as their interests may appear and be utilized for repair and restoration of the Premises.

- b. General liability insurance (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following:
  - i. Per occurrence and general aggregate amount of \$5,000,000;
  - ii. Products/completed operations aggregate of \$2,000,000 and
  - iii. Personal and advertising injury of \$1,000,000.
- c. Failure by Sublessor to maintain the insurance required by this Section and deliver evidence thereof as required by this Sublease or to use any insurance proceeds to timely repair and restore the Premises shall constitute a material breach of this Sublease.

#### 19.3 Insurance Requirements

All insurance policies required to be maintained by Sublessor under this Sublease shall be issued by insurance companies which have a Best's Rating of "AVII" or better and which are qualified to do business in the State of California. All liability and property damage and other casualty policies of Sublessee shall be written as primary policies, not contributing with, and not in excess of coverage which Sublessor may carry.

#### 19.4 Certificates

Sublessor shall deliver to Sublessee on the Commencement Date of this Sublease and thereafter at least 15 days prior to expiration of any insurance required to be carried hereunder, certificates of insurance evidencing this coverage with limits not less than those specified above. Certificates must document that each party has named the other as an additional insured (or equivalent) on its general liability and property insurance policy, and that Sublessee has been named a loss payee on Sublessor's commercial property insurance policy, as required. Further, all certificates shall expressly provide that no less than 30 days' prior written notice shall be given to Sublessee in the event of material change to, expiration or cancellation of the coverage or policies evidenced by the certificates.

### 19.5 Waiver of Subrogation

Sublessor and Sublessee each hereby waive their rights of subrogation against one another to the extent it is covered by the property insurance policies required to be carried hereunder. Sublessor shall cause its insurance carriers to consent to the foregoing waiver of rights of subrogation against Sublessee.

## 20. PARKING

### 20.2 Sublessee's Rights

Sublessee shall have the right to the number of exclusive reserved parking stalls set forth in Section 1 without charge for the Term of this Sublease. No tandem parking shall be permitted and Sublessee shall be entitled to full in/out privileges. Sublessee's parking rights shall be subject to reasonable parking rules and regulations adopted by Sublessor from time to time, provided that such procedures shall be uniformly applied to all Sublessees. Sublessee acknowledges that all other parking spaces are not for the exclusive use of Sublessee, rather, all such parking space are to be used on a non-exclusive, first-come, first-served basis by Sublessee and other Sublessees, occupants, licensees, invitees and permittees of the Buildings.

### 20.3 Remedies

Sublessor acknowledges that it is a material term of this Sublease that Sublessee receive all of the Parking Spaces to which it is entitled under this Sublease for the entire Term of this Sublease and that it would be impracticable and extremely difficult to fix the actual damages for a breach of such provisions. It is therefore agreed that if, for any reason whatsoever, a material number (i.e., 10% or more) of the Parking Spaces required above are not available to Sublessee, (in addition to the rights given to Sublessee under Section 14 and Sections 9 and 17 in the event of casualty or condemnation) Sublessee may:

(a) Terminate this Sublease by giving written notice of such termination to Sublessor, which notice shall be effective 30 days thereafter.

## 21. ENVIRONMENTAL MATTERS

### 21.2 Hazardous Materials

Sublessee shall not cause nor permit, nor allow any of Sublessee's employees, agents, customers, visitors, invitees, licensees, contractors, assignees or sub-sublessees to cause or permit, any Hazardous Materials

to be brought upon, stored, manufactured, generated, blended, handled, recycled, treated, disposed or used on, under or about the Premises, the Buildings or the Common Areas, except for routine office/clinic and janitorial supplies in usual and customary quantities stored, used and disposed of in accordance with all applicable Environmental Laws. As used herein, "Hazardous Materials" means any chemical, substance, material, controlled substance, object, condition, waste, living organism or combination thereof, whether solid, semi solid, liquid or gaseous, which is or may be hazardous to human health or safety or to the environment due to its radioactivity, ignitability, corrosivity, reactivity, explosivity, toxicity, carcinogenicity, mutagenicity, phytotoxicity, infectiousness or other harmful or potentially harmful properties or effects, including, without limitation, molds, toxic levels of bacteria, tobacco smoke within the Premises, petroleum and petroleum products, asbestos, radon, polychlorinated biphenyls (PCBs), refrigerants (including those substances defined in the Environmental Protection Agency's "Refrigerant Recycling Rule," as amended from time to time) and all of those chemicals, substances, materials, controlled substances, objects, conditions, wastes, living organisms or combinations thereof which are now or become in the future listed, defined or regulated in any manner by any Environmental Law based upon, directly or indirectly, such properties or effects. As used herein, "Environmental Laws" means any and all federal, state or local environmental, health and/or safety-related laws, regulations, standard, decisions of courts, ordinances, rules, codes, orders, decrees, directives, guidelines, permits or permit conditions, currently existing and as amended, enacted, issued or adopted in the future which are or become applicable to Sublessee, the Premises, the Buildings or the Common Areas.

### 21.3 Sublessor Indemnity

Sublessor shall indemnify, protect, defend (by counsel acceptable to Sublessee) and hold harmless Sublessee from and against any and all claims, judgments, causes of action, damage, penalties, fine, taxes, costs, liabilities, losses and expenses arising at any time during or after the Term as a result (directly or indirectly) of or in connection with the presence of Hazardous Materials on, under or about the Premises, Buildings or Common Areas or other violation of laws relating to Hazardous Materials other than caused by Sublessee. This indemnity shall include, without limitation, the cost of any required or necessary repair, cleanup or detoxification, and the preparation and implementation of any closure, monitoring or other required plans; as such action is required by local or state laws or any governmental agency. Sublessor shall promptly deliver to Sublessee a copy of any notice received from any governmental agency during the Term of this Sublease concerning the presence of

Hazardous Materials in the Buildings or the Premises. Sublessor's obligations pursuant to the foregoing indemnity shall survive the expiration or termination of this Sublease. A default by Sublessor under this Section shall constitute a material default under this Sublease.

22. ESTOPPEL CERTIFICATES

Sublessee shall, within 30 days after written request of Sublessor, execute, acknowledge and deliver to Sublessor or its designee a written statement in the form of Document II in the Supplemental Sublease Documents delivered to Sublessor concurrently herewith (properly completed) but shall have no other obligation to deliver any other form of estoppel certificate. It is intended that any such statement delivered pursuant to this Section may be relied upon by a prospective purchaser of Sublessor's interest or holder of any mortgage upon Sublessor's interest in the Premises.

23. LIENS

Sublessee shall keep its interest in this Sublease and the Premises free from any liens arising out of any work performed or material ordered or obligations incurred by Sublessee. Sublessor shall keep its interest in this Sublease and the Premises free from any liens which would impair the interest of Sublessee hereunder and hereby indemnifies and holds Sublessee harmless from any liability or loss from any such lien.

24. SUBORDINATION AND MORTGAGES

24.2 Subordination And Non-Disturbance

Sublessee agrees, at Sublessor's option, to subordinate this Sublease to the lien of any mortgages or deeds of trust now or hereafter in force against the Buildings; provided however, Sublessee's obligation to subordinate this Sublease is expressly conditioned upon Sublessee receiving a written agreement in the form of Document I in the Supplemental Sublease Documents delivered to Sublessor concurrently herewith and provided further that no such subordination shall affect any option to extend the Term of this Sublease, right of first offer to lease additional premises, option to purchase or right of first offer to purchase the Property which may be included herein.

24.3 Existing Deeds of Trust

The beneficiary under any existing deed of trust affecting the Buildings shall provide a written agreement to Sublessee in the form of Document I in the Supplemental Sublease Documents delivered to Sublessor concurrently herewith within 30 days after the execution of this Sublease.



24.4 Request for Notice

Sublessor acknowledges that Sublessee intends to record a Request for Notice with respect to any mortgages or deeds of trust affecting the Property in the form of Document V in the Supplemental Sublease Documents delivered to Sublessor concurrently herewith.

24.5 Notice of Default

If any mortgagee or beneficiary under a deed of trust affecting the Property gives written notice of its name and address to Sublessee by registered mail requesting any such notice with reference to this Section, Sublessee agrees to use its best efforts (but without liability for failure to do so) to give such mortgagee a copy of any Notice of Default served upon Sublessor hereunder which could permit Sublessee to terminate this Sublease and an additional ten days within which to cure such Default.

25. SURRENDER OF POSSESSION

Subject to casualty, at the expiration of the Term of this Sublease, whether by lapse of time or otherwise, Sublessee shall promptly and peacefully surrender the Premises to Sublessor in a "broom-clean" condition. Sublessee may (but shall not be required to) remove, at its own expense, all fixtures, equipment and all other personal property placed or installed in or upon the Premises by Sublessee, or under its authority (including any modular furniture).

26. SIGNAGE

Sublessee shall be permitted to install at the Premises reasonably appropriate signs that conform with any and all applicable laws and ordinances.

27. QUIET ENJOYMENT

So long as Sublessee is not in default hereunder, Sublessee shall have the right to the quiet and peaceful enjoyment and possession of the Premises and the Common Areas during the Term of this Sublease, subject to the terms and conditions of this Sublease.

28. GENERAL

28.2 Headings

Titles to Sections of this Sublease are not a part of this Sublease and shall have no effect upon the construction or interpretation of any part hereof.

### 28.3 Successors and Assigns

All of the covenants, agreements, terms and conditions contained in this Sublease shall inure to and be binding upon the Sublessor and Sublessee and their respective successors and assigns.

### 28.4 Brokers

Sublessor and Sublessee each represent and warrant to each other that it has not engaged any broker, finder or other person who would be entitled to any commission or fees in respect of the negotiation, execution or delivery of this Sublease other than as disclosed to the other in writing and shall indemnify and hold harmless each other against any loss, cost, liability or expense incurred by the other party as a result of any claim asserted by any such broker, finder or other person on the basis of any arrangements or agreements made or alleged to have been made in variance with this representation. Sublessee shall receive from Sublessor or Sublessor's broker, within ten days after the execution of this Sublease, an amount equal to 50% of all commissions due to Sublessor's broker as a result of this execution of this Sublease.

### 28.5 Entire Agreement

This Sublease (and Supplemental Sublease Documents) is the final and complete expression of Sublessor and Sublessee relating in any manner to the leasing, use and occupancy of the Premises, to Sublessee's use of the Buildings and other matters set forth in this Sublease. No prior agreements or understanding pertaining to the same shall be valid or of any force or effect and the covenants and agreements of this Sublease shall not be altered, modified or added to except in writing signed by both Sublessor and Sublessee.

### 28.6 Severability

Any provision of this Sublease which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof and the remaining provisions hereof shall nevertheless remain in full force and effect.

### 28.7 Notices

All notices and communications to any party hereunder shall be in writing and shall be deemed properly given if delivered personally, sent by registered or certified mail, postage prepaid, or by a recognized overnight commercial messenger providing proof of delivery, facsimile (electronically confirmed) to Sublessor's Address for Notice and Sublessee's Address for

Notice as set forth in Section 1. Any notice so given shall be deemed to have been given as of the date of delivery (whether accepted or refused) established by U.S. Post Office return receipt or the overnight carrier's proof of delivery, as the case may be. Any such notice not so given shall be deemed given upon receipt to the same by the party to whom the same is to be given.

28.8 Governing Law and Forum

This Sublease shall be governed by and construed in accordance with the internal laws of the State of California. Any litigation with respect to this Sublease shall be conducted in the County of Los Angeles, State of California.

28.9 Waivers

No waiver by Sublessor or Sublessee of any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach by Sublessor or Sublessee of the same or any other provision. Sublessor's or Sublessee's consent to or approval of any act shall not be deemed to render unnecessary the obtaining of Sublessor's or Sublessee's consent to or approval of any subsequent act by Sublessor or Sublessee.

28.10 Time of Essence

Time is of the essence for the performance of all of the obligations specified hereunder.

28.11 Consent

Whenever any consent is required by Sublessor or Sublessee hereunder, such consent shall not be unreasonably withheld, conditioned or delayed and, unless otherwise specifically provided herein, shall be deemed granted if not refused within ten days after written request is made therefor, together with all necessary information.

28.12 Community Business Enterprises

Sublessor shall complete and deliver to Sublessee concurrently with the execution hereof a Community Business Enterprises form set forth as Document III in the Supplemental Sublease Documents delivered to Sublessor concurrently herewith.

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#### 28.13 Memorandum of Sublease

If requested by Sublessee, Sublessor and Sublessee shall execute and acknowledge a Memorandum of Sublease in the form of Document IV in the Supplemental Sublease Documents delivered to Sublessor concurrently herewith, which Memorandum may be recorded by Sublessee in the Official Record of Los Angeles County.

#### 28.14 Other

(a) Licenses, Certificates and Permits

Sublessee acknowledges that Sublessor has allowed Sublessee to transfer 48 licensed acute care beds onto the hospital license of LAC/USC Medical Center. Sublessee agrees to maintain all Required licenses, certificates and permits in full force and effect during the entire term of this Sublease and not to assign, transfer, cause the revocation of or in any manner change such certificates, licenses or permits without the written consent of Sublessor.

Upon termination, sublessee shall release 48 beds from the license of LAC/USC and shall immediately cause the transfer of these beds back into the license of City of Angels Medical Center. In the event of a breach of this provision, Sublessor shall be entitled to liquidated damages in an amount equal to the Basic Rent .

(b) Acknowledgement of Master Lease:

Sublessee acknowledges that all rights of Sublessor derive from the Master Lease dated September 29, 2006 between Sublessor and AFG investment fund 5, LLC ("Master Lease") or its subsequent assignee of AFG investment fund 5, LLC.

#### 29. AUTHORITY

Only the Board of Supervisors has the authority, by formally approving and/or executing this Sublease, to bind the County to the terms included herein. Each individual executing this Sublease on behalf of Sublessee represents and warrants that he or she is duly authorized to execute and deliver this Sublease on behalf of Sublessee, and that this Sublease is binding upon Sublessee in accordance with its terms. Sublessor understands that no material terms of this Sublease may be altered or deleted, nor may any new material terms be added to this Sublease, without the express written approval of the Board of Supervisors, either through an amendment to the Sublease or by other formal Board action. No County officer, employee, agent or independent contractor has any authority to alter, add or delete the material terms of this Sublease and Sublessor may not rely upon any representations to the contrary. This limitation of authority applies to all material terms of the Sublease including, without

limitation, any monetary ceiling established for Sublessee Improvements or other project costs of Sublessor which are subject to reimbursement by County. County shall not reimburse Sublessor for any expenses which exceed this ceiling. Notwithstanding the foregoing, the Chief Executive Officer of the County or its delegee (the "Chief Executive Officer") may take any administrative act on behalf of Sublessee hereunder which does not have the effect of increasing Basic Rent or other financial obligations of Sublessee under this Sublease, including without limitation, granting any approvals, terminating this Sublease in the manner provided herein by an Early Termination Notice or otherwise, signing estoppel certificates, signing the Commencement Date Memorandum and Confirmation of Sublease Terms or subordinating this Sublease, Each individual executing this Sublease on behalf of Sublessor represents and warrants that he or she is duly authorized to execute and deliver this Sublease on behalf of Sublessor, and that this Sublease is binding upon Sublessor in accordance with its terms.

30. ACKNOWLEDGEMENT BY SUBLESSOR

Sublessor acknowledges that it is aware of the following provisions:

30.2 Consideration of GAIN Program Participants

Should Sublessor require additional or replacement personnel after the effective date of this Sublease, Sublessor shall give consideration for any such employment openings to participants in the County Department of Public Social Services' Greater Avenues for Independence ("GAIN") Program who meet Sublessor's minimum qualifications for the open position. The County will refer GAIN participants by job category to Sublessor.

30.3 Solicitation of Consideration

It is improper for any County officer employee or agent to solicit consideration in any form from a sublessor with the implication, suggestion or statement that the sublessor's provision of the consideration may secure more favorable treatment for the sublessor in the award of the sublease or that sublessor's failure to provide such consideration may negatively affect the County's consideration of the sublessor's offer to lease. A sublessor shall not offer or give, either directly or through an intermediary, consideration in any form to a County officer, employee or agent for the purpose of securing favorable treatment with respect to the award of the sublease.

Sublessor shall immediately report any attempt by a County officer, employee or agent to solicit such improper consideration. The report shall be made either to the County Manager charged with the supervision of the

employee or to the County Auditor-Controller's Employee Fraud hotline at (213) 974-0914 or (800) 544-6861. Failure to report such solicitation may result in the Sublessor's submission being eliminated from consideration.

#### 30.4 Sublessor Assignment

30.4.1 Sublessor may assign, transfer, mortgage, hypothecate or encumber Sublessor's right, title and interest in and to this Sublease or any portion thereof (including the right to receive rental payments but excluding its duties and obligations hereunder), and Sublessor may execute any and all instruments providing for the payment of Basic Rent directly to any assignee or transferee, but only if the conditions set forth in the Section are met.

30.4.2 Any document or agreement purporting to assign, transfer, mortgage, hypothecate or encumber Sublessor's right, title and interest in and to this Sublease or any portion thereof, is hereinafter referred to as a "Security Agreement." Any security Agreement which is executed without full compliance with the requirements of this Section shall be void.

30.4.3 Each assignee or transferee under the Security Agreement shall certify and agree in writing that such assignee or transferee has read and is familiar with the requirements of Sections 5950-5955 of California Government Code, which prohibits the offer or sale of any security constituting a fractional interest in this Sublease or any portion thereof, without the prior written consent of the County. Notwithstanding the foregoing, Tenant hereby acknowledges and agrees that Landlord shall have the right to encumber the Property with collateralized mortgage backed securities ("CMBS") financing or other traditional real estate financing. However, Landlord may not encumber the Property through any type of bond financing vehicle, including but not limited to, certificate of participation financing.

30.4.4 Violation by Sublessor of the provisions of Section 5951 of the California Government Code will constitute a material breach of this Sublease, upon which the County may impose damages in an amount equal to the greater of \$500,000 or 10% of the aggregate principal portion of all rental payments payable by the County during the entire Term of this Sublease, it being expressly agreed that the aforesaid amount shall be imposed as liquidated damages, and not as a forfeiture or penalty. It is further specifically agreed that the aforesaid amount is presumed to be the amount of damages sustained by reason of any such violation, because from the circumstances and nature of the violation it would be impracticable and extremely difficult to fix actual damages. In addition, the County may exercise or pursue any other right or remedy it may have under this Sublease or applicable law.

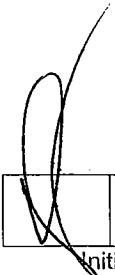
30.4.5 Sublessor shall give the County notice and a copy of each Security Agreement and any other instrument relating thereto (including, but not limited to, instruments providing for the payment of Basic Rent directly to an assignee or transferee) at least two weeks prior to the effective date thereof.

30.4.6 Sublessor shall not furnish any information concerning County or the subject matter of this Sublease (including, but not limited to, offering memoranda, financial statements, economic and demographic information, and legal opinions rendered by the office of counsel for the County) to any person or entity, except with County's prior written consent. Sublessor shall indemnify, defend and hold County and its officers, agents and employee harmless from and against all claims and liability alleged to arise from the inaccuracy or incompleteness of any information furnished by Sublessor in violation of this Section.

30.4.7 The provisions of this Section shall be binding upon and applicable to the parties hereto and their respective successors and assigns. Whenever in this Section Sublessor is referred to, such reference shall be deemed to include Sublessor's successors or assigns, and all covenants and agreements by or on behalf of Sublessor herein shall bind and apply to Sublessor's successors and assigns whether so expressed or not.

31. IRREVOCABLE OFFER

In consideration for the time and expense that Sublessee will invest, including, but not limited to, preliminary space planning, legal review, and preparation and noticing for presentation to the Sublessee Real Estate Management Commission of Los Angeles County (if applicable) in reliance on Sublessor's agreement to lease the Premises to Sublessee under the terms of this Sublease, Sublessor irrevocably offers to enter into this Sublease and not to revoke this offer until the Irrevocable Offer Expiration Date, as defined in Section 1.

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COUNTY OF LOS ANGELES  
CHIEF ADMINISTRATIVE OFFICE  
SUBLEASE AGREEMENT

THIS SUBLEASE is entered into as of the 18<sup>th</sup> day of December, 2007 between INTERCARE HEALTH SYSTEMS, INC., f.k.a. NATIONAL PSYCHIATRIC SERVICES ("Sublessor"), and COUNTY OF LOS ANGELES, a body politic and corporate ("Sublessee").


Sublessor and Sublessee agree:

1. BASIC LEASE INFORMATION

1.1 Terms

The following terms as used herein shall have the meanings provided in this Section 1, unless otherwise specifically modified by provisions of this Lease:

|                                    |  |
|------------------------------------|--|
| a. Sublessor's Address For Notice: | City of Angels Medical Center<br>1711 Temple Street<br>Los Angeles, CA 90026<br>Attn: Vicki Gant / Robin Cowles  |
| b. Sublessee's Address For Notice: | Board of Supervisors<br>383 Kenneth Hahn Hall of Administration<br>500 West Temple Street<br>Los Angeles, California 90012<br><br>With a copy to:<br><br>Chief Administrative Office<br>Real Estate Division<br>222 South Hill Street, 3 <sup>rd</sup> Floor<br>Los Angeles, California 90012<br>Attention: Director of Real Estate<br>Fax Number: (213) 217- 4971 |
| c. Premises:                       | 48 licensed hospital beds located in two wards comprising approximately 25,000 rentable square feet in the Buildings (defined below) as shown on Exhibit A attached hereto.  |

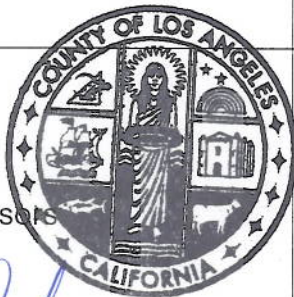
  
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IN WITNESS WHEREOF this Sublease has been executed the day and year first above set forth.

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| <p>SUBLESSOR:</p>   | <p><u>Intercare Health Systems, Inc</u></p><br><br><p>By: <u>[Signature]</u><br/>Name<br/>Its <u>Vicki Gant</u><br/><u>CEO</u></p>   |
| <p>SUBLESSEE:</p>   | <p>COUNTY OF LOS ANGELES<br/>a body politic and corporate</p><br><p>By: <u>[Signature]</u><br/>YVONNE B. BURKE<br/>Chair, Board of Supervisors</p>   |
| <p>ATTEST:</p> <p>Sachi A. Hamai<br/>Executive Officer-Clerk<br/>of the Board of Supervisors</p> <p>By: <u>[Signature]</u><br/>Deputy</p> | <p><b>ADOPTED</b><br/>BOARD OF SUPERVISORS<br/>COUNTY OF LOS ANGELES</p> <p>14 DEC 18 2007</p> <p><u>[Signature]</u><br/>SACHI A. HAMAI<br/>EXECUTIVE OFFICER</p>  |
| <p>APPROVED AS TO FORM:<br/>Raymond G. Fortner, Jr.<br/>County Counsel</p> <p>By: <u>[Signature]</u><br/>Deputy Amy Caves</p>             | <p>I hereby certify that pursuant to<br/>Section 25103 of the Government Code,<br/>delivery of this document has been made.</p> <p>SACHI A. HAMAI<br/>Executive Officer<br/>Clerk of the Board of Supervisors</p> <p>By: <u>[Signature]</u><br/>Deputy</p> |



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|--------------------|--|
| <u>[Signature]</u> |  |
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**EXHIBIT A**

**FLOOR PLAN OF PREMISES  
AND LEGAL DESCRIPTION OF PROPERTIES**

Parcel 1:

Lot 33, of Andover Tract, in the City of Rosemead, County of Los Angeles, State of California, as per map recorded in Book 21 Page(s) 155 of maps, in the office of the County Recorder of said county.

Except therefrom the Northerly 50 feet thereof.

Parcel 2:

The Northerly 50 feet of Lot 33, of Andover Tract, in the City of Rosemead, County of Los Angeles, State of California, as per map recorded in Book 21 Page(s) 155 of maps, in the office of the County Recorder of said county.

Parcel 3:

The South 50 feet of Lot 34, of Andover Tract, in the City of Rosemead, County of Los Angeles, State of California, as per map recorded in Book 21 Page(s) 155 of maps, in the office of the County Recorder of said county.

Parcel 4:

The North 75 feet of South 125 feet of Lot 34, of Andover Tract, in the City of Rosemead, County of Los Angeles, State of California, as per map recorded in Book 21 Page(s) 155 of maps, in the office of the County Recorder of said county.

Parcel 5:

Lots 34, 39 and 40, of Andover Tract, in the City of Rosemead, County of Los Angeles, State of California, as per map recorded in Book 21 Page(s) 155 of maps, in the office of the County Recorder of said county.

Except therefrom the Southerly 125.00 feet of said Lot 34.

Assessor's Parcel No: 5286-012-035, 029, 030, 033

EXHIBIT A

FLOOR PLAN OF PREMISES  
AND LEGAL DESCRIPTION OF PROPERTIES

**EXHIBIT B**

**COMMENCEMENT DATE MEMORANDUM  
AND CONFIRMATION OF SUBLEASE TERMS**

Reference is made to that certain Sublease ("Sublease") dated \_\_\_\_\_, 2007, between County of Los Angeles, a body politic and corporate ("Sublessee"), Intercare Health Systems, Inc., fka National Psychiatric Services, a \_\_\_\_\_ ("Sublessor"), whereby Sublessor leased to Sublessee and Sublessee leased from Sublessor certain premises in the Buildings located at 7500 East Hellman Avenue, Rosemead, CA 91770-2216 ("Premises").

Sublessor and Sublessee hereby acknowledge as follows:

- 1) The Sublease commenced on \_\_\_\_\_ ("Commencement Date").
- 2) The Premises contains 48 licensed beds in two wards comprising approximately 25,000 rentable square feet of space; and

For clarification and the purpose of calculating future rental rate adjustments:

- 1) Basic Rent per month is \_\_\_\_\_.
- 2) The Base Index Month is \_\_\_\_\_.
- 3) The Base Index is \_\_\_\_\_.

IN WITNESS WHEREOF, this Memorandum is executed this \_\_\_\_ day \_\_\_\_\_, 200\_\_.

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| <p>Sublessee:</p><br><p>COUNTY OF LOS ANGELES<br/>a body politic and corporate</p><br><br><p>By: _____</p> <p style="margin-left: 40px;">Name _____</p> <p style="margin-left: 40px;">Its _____</p> | <p>Sublessor:</p><br><br><p>_____</p> <p>a _____</p><br><br><p>By: _____</p> <p style="margin-left: 40px;">Name _____</p> <p style="margin-left: 40px;">Its _____</p> |
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EXHIBIT B

COMMENCEMENT DATE MEMORANDUM  
AND CONFIRMATION OF SUBLEASE TERMS

## **EXHIBIT C**

### **HEATING, VENTILATING AND AIR CONTITIONING STANDARDS**

Sublessor shall supply cooling, ventilating and heating with capacity to produce the following results effective during the Normal Working Hours established by the Sublease and within tolerances normal in comparable office buildings; maintenance of inside space conditions of not greater than 78 degrees Fahrenheit when the outside air temperature is not more than 93 degrees Fahrenheit dry bulb and 70 degrees Fahrenheit we bulb, and not less than 70 degrees Fahrenheit when the outside air temperature is not lower than 42 degrees Fahrenheit dry bulb. Interior space is designated at a rate of one zone for approximately each 1,000 square feet and one diffuser for each 200 square feet of usable square footage within the Premises. If energy requirements prohibit Sublessor from complying with these requirements, Sublessee shall not unreasonably withhold its consent to temporary waivers or modifications.

EXHIBIT C

HEATING, VENTILATING  
AND AIR CONTITIONING STANDARDS

## EXHIBIT D

### DIETARY SERVICES STATEMENT OF WORK

1. GENERAL: Ingleside Hospital shall provide all personnel, including but not limited to a Director of Dietary Services at Ingleside and all services including space, equipment, and supplies necessary for the provision of all patient and non-patient dietary services as set forth in this Exhibit.

Generally such services shall include but not be limited to the provision of regular and modified diets and nutritional care to Medical Center patients, and special function meals. Nutritional care shall include therapeutic diet .

2. DIETARY REPORTS: Ingleside shall provide the following reports to the LAC+USC Psychiatric Services Administrator or designee in conjunction with Ingleside Administrator.

- A. Monthly Operating Summary: Such Operating Summary shall include daily meal count and cost per meal information. Such Operating Summary shall include all costs, projected and actual, direct and indirect, incurred by Ingleside Hospital while providing services at Medical Center's Program, hereunder except for those costs which are not expressly stated in this Agreement.

Documentation supporting daily patient meals (e.g., regular and modified diet patient meals, physician prescribed additional patient meals, etc.) shall be maintained by Ingleside, including the total number of meals provided for breakfast, lunch, and dinner and for other meals, the date of provision of meals to each ward, the signature of designated authorized County personnel receiving the meals, and any other information and dietary reports necessary for the proper monitoring of this Agreement.

- B. Total Monthly Patient Meals Provided: Such monthly report shall indicate the total monthly number of patient-meals provided.
- C. Total Monthly Non-patient Meals Provided: Such monthly report shall indicate the total monthly number of non-patient meals provided.
- D. Monthly Administrative Report: Such monthly report shall indicate a summary of dietary services and activities for the quarter.
- E. Quarterly Performance Improvement Report: Such quarterly shall indicate a summary of dietary services and activities for the quarter as they relate to quality control activities and patient outcome studies in collaboration with other health care professionals. Not applicable-done by County)

## EXHIBIT D

### DIETARY SERVICES STATEMENT OF WORK

- F. Clinical-Productivity Provided: Such quarterly reports shall summarize patient care activities by clinical dietitians and dietetic technicians in relation to patient visitations.
  - G. Additional-Reports: Such additional reports which LAC+USC Administrator determines are necessary in conjunction with Ingleside Administrator, as mutually agreed upon.
3. STANDARDS AND REGULATIONS:
- A. Title 22 of the California Code of Regulations/ American Dietetic Association/Federal/State/ County: In the performance of dietary services hereunder, Ingleside Hospital shall comply with the following: Title 22 (only provisions specifically relating to nutrition services) of the California Code of Regulations for General Acute Care Hospitals, AOA-HFAP standards; American Dietetic Association standards of practice; and all Federal, State, and local laws, ordinances, regulations, and directives, as all such provisions exist now or in the future as they relate to the performance of this Agreement.
  - B. Diet Manual: Ingleside Hospital shall provide a continuity of services and shall assure that all diets and services comply with a diet manual approved by Medical Center's Nutrition Committee and Administrator (hereafter "Diet Manual"). The Manual has been finalized and is ready for use at the time of execution of Agreement. All proposed revisions to such Diet Manual shall be submitted to Registered Dietician and Hospital Administrator and shall be subject to their prior written approval. In any event, such Diet Manual with all revisions shall be submitted to such Committee and to Administrator for their approval, at least annually.
  - C. Portion Sizes/Nutritional Requirements: Ingleside Hospital shall comply with the minimum portion sizes and nutritional standards for meal preparations as specified in Diet Manual as it exists now or in the future, to insure the provision of high quality nutritional care to patients and others.
  - D. Food Quality Standards/Menu Standards: Ingleside Hospital shall comply with food quality standards and menu standards as determined in writing by Administrator in compliance with all applicable rules and regulations. Ingleside shall comply with the standards in menu planning as specified in Diet Manual.

## EXHIBIT D

### DIETARY SERVICES STATEMENT OF WORK

- E. Food Temperature Standards: Ingleside Hospital shall comply with food temperature standards and be in compliance with all applicable rules and regulations.
  - F. County Inspections: All Ingleside Hospital Services and Ingleside Hospital: real-and personal property used in providing same shall at all times be accessible to and subject to inspection reviewing surveys and regulatory agencies.
  - G. Other Requirements: Ingleside Hospital shall at all times comply, with all policies, procedures and standards, cleanliness standards agreed by Ingleside/LAC+USC Administration for the provision of dietary services.
    - (1) Must notify LAC+USC Administration of any regulatory/licensing problem (citation) immediately.
    - (2) Report any hazardous spills, equipment malfunction or general safety problem to LAC+USC Administration immediately.
4. MEALS:
- A. General: Services hereunder, including, but not limited to, the purchase, storage, preparation, and provision of all food, shall be provided by Ingleside Hospital for Medical Center patients, and others who are to receive meals authorized or other dietary services by the LAC+USC Psychiatric Services Administrator or Designee.
  - B. Patient Meal Orders. Menu, and Recipe Planning: Orders for the preparation of all patient meals shall be based on the daily patient count as communicated to Ingleside Hospital by LAC+USC Psychiatric Services Administrator or Designee. The meal content of all patient menus (regular and modified diets) shall be in accordance with the Diet Manual. All prescribed physician diet orders will be separately communicated to Ingleside Hospital's Director of Dietary Services or authorized designee for timely implementation.

## **EXHIBIT D**

### **DIETARY SERVICES STATEMENT OF WORK**

5. MEALS NEED TO INCLUDE:
  - A. Patients arriving after normal meal times.
  - B. Modified lunches for patients precluded from eating at normal dining hours.



## EXHIBIT D

### DIETARY SERVICES STATEMENT OF WORK

Menus will be designed to: 1) fulfill the nutritional requirements in accordance with National Research Council Daily Dietary Allowances (RDA) standards for all patients served and 2) meet the multi-ethnic patient population needs as evidenced by relevant menu choices. All regular and modified planned patient menus shall be reviewed and approved by Ingleside Hospital's clinical dietitians and LAC+USC Psychiatric Services Administrator, or designee.

- C. Special Functions: Requests and menus for all LAC+USC Special Function meals shall be reviewed and approved by Administrator or designate.
- D. Food Stock Responsibility: Ingleside Hospital shall be responsible for maintaining stock and inventory, and the issuance of all items to the Kitchen and other Medical Center Ingleside Hospital service areas.
- E. Food Production: Ingleside Hospital shall ensure that all food prepared shall be properly transported and/or stored in compliance with all standards and requirements required by law, including, but not limited to, Title 22 of the California Code of Regulations.
- F. Food Service: Food service shall be made available for each meal in cafeteria for distribution at the times agreed upon by the Ingleside/LAC+USC Administrators.
- G. Food Delivery to Medical Center Wards: Ingleside Hospital shall ensure that food tray is delivered to ward. Specific responsibilities for food delivery, etc., follow:
  - (1) General: Ingleside Hospital shall prepare appropriate beverages and meals, in cafeteria and deliver to each ward. At the completion of each meal, LAC+USC patients or nursing staff shall deposit dirty trays, tray contents, silverware, glassware, etc., to the designated area where Ingleside hospital shall assume further responsibility for cleaning/disposal.
  - (2) Confined Patients: Food tray carts with disposable food trays for LAC+USC Medical Center's patients confined to the unit shall be picked up and taken to patients. County nursing staff shall receive and sign for trays from Ingleside Hospital kitchen and deliver trays to patients. At the completion of each meal, County nursing staff shall dispose of trays and tray contents at a location designated by

## EXHIBIT D

### DIETARY SERVICES STATEMENT OF WORK

Ingleside Hospital. LAC+USC Staff shall assure pick-up and final disposal of the trays and contents, silverware, glassware, plates, etc., from such location.

- (3) Testing: Ingleside Hospital shall ensure that the prepared food maintains quality, palatability, and appropriate temperature as needed. Administrator or a duly authorized designee shall, from time to time, take random food samples, for the purpose of testing for assurance to all regulatory requirements. Ingleside Hospital will endeavor to take any necessary actions to correct any deficiencies found by Administrator or designee at Ingleside Hospital.
- H. Nourishment Services: Nourishments (including but not limited to jello, desserts, juices, milk, sandwiches, peanut butter, crackers, etc.) shall be requested by nursing staff by completion of nourishment form. Nourishments shall also be provided to LAC+USC Medical Center's patient pantries on each ward by Ingleside Hospital Staff on a schedule established by Ingleside and LAC+USC Administrators. Nourishment trays etc., shall be delivered by Ingleside Dietary based on census provided by LAC+USC Medical Center nursing staff daily as established by Ingleside and LAC+USC Administrators and disposed of at a site or sites on Ingleside Hospital, where Ingleside Hospital shall assume further responsibility.
- I. Dish and Serviceware Management: The washing of and accountability for all dishes and other reusable serviceware shall be the responsibility of Ingleside Hospital. LAC+USC Nursing staff will have the responsibility in County areas.
- J. Patient Outings: At the request of LAC+USC Administrator, Ingleside Hospital shall provide to the Medical Center's wards and patient care areas sack-lunches or other food items and beverages for patient outdoor activities, medical appointments, and court appearances. The LAC+USC Nursing staff shall provide Ingleside Hospital with 24 hour advance written notice of such requests.
- K. Meals for Other Functions: Preparation, delivery, set-up, and serving of meals for other functions may be requested by LAC+USC Administrator or designee, and shall be provided by Ingleside Hospital locations designated by LAC+USC Administrator. Other functions are to include, but not limited to, the following:

## **EXHIBIT D**

### **DIETARY SERVICES STATEMENT OF WORK**

- (1) Site visits by County, State, and Federal government officials or representatives of regulatory agencies or commissions.
- (2) Special recognition functions for volunteers, facility support groups and employee recognition, etc.
- (3) Meeting of community volunteer groups and advisory committee meetings.
- (4) Overtime meals to County employees, as required.
- (5) Other functions as approved in conjunction with Ingleside administrator.

## EXHIBIT D

### DIETARY SERVICES STATEMENT OF WORK

- L. Diet Order System: Upon commencement of services hereunder, Ingleside Hospital's director of dietary services, shall develop and recommend to Administrator a written diet order system. Such system shall be used to transmit the physician's order prescribed on each patient's chart to Ingleside Hospital's director of dietary services or an authorized designee. Such system shall be subject to the prior written approval of Administrator and shall be ready for use prior to the beginning date of Agreement.

The diet order system shall also provide for current diet orders to be readily available for use in patient diet management. A record of the diet orders shall be kept for review by Director and/or Administrator for a reasonable time, as determined by Administrator. Ingleside Hospital's employees, under the supervision of a clinical dietitian, shall maintain diet order information to ensure that each patient receives the proper diet.

- M. Quality Assessment & Performance Improvement: The quality assessment and performance improvement program contained in Housekeeping Policy will be used to ensure that the quality of food service and other dietary services provided to patients and others shall remain at the highest level and shall at all times be in full compliance with all licensure, JCAHO, regulatory, and other legal requirements: The principal methods for quality assessment will be on-going monitoring and evaluating of service, quality control audits of operational indicators, patient food acceptance questionnaires, problem identification, and resolution.

- N. Other Services and Topics:

- (1) Cleaning: Ingleside Hospital shall keep all kitchens, food and food equipment storage areas, LAC+USC Medical Center's dining room, and other areas occupied and used by Ingleside Hospital here under clean and in a sanitary condition at all times.
- (2) Emergency and Disaster Feeding: Ingleside Hospital shall prepare a disaster plan in conjunction with LAC+USC Administrator to provide all services hereunder for at least three days. Such preliminary plans shall include, but not be limited to, the basic procedures for preparing food products, who shall perform key tasks, and the items to be used. The inventory to be kept for emergency use shall consist of at least three-day supply of staple

## EXHIBIT D

### DIETARY SERVICES STATEMENT OF WORK

foods which shall be maintained on site. Such inventory shall be appropriate to meet all requirements of all menus for Medical Center's patients and staff. These items shall be replaced at scheduled periods and used in the regular fare so that no out-of-date food will be in inventory.

- (3) Ingleside Hospital shall continue to provide all services hereunder during any work action or strike to the fullest extent permitted by law, including the National Labor Relations Act and any similar State laws, as well as during any disaster, as determined by Administrator. In the event of any such work action, strike or disaster, any additional expenses of Ingleside Hospital to provide services hereunder shall be reimbursed by County upon mutual agreement of the parties and following an executed amendment to this Agreement.
- O. Meal Schedules: Ingleside Hospital shall prepare and deliver meals to designated locations within existing schedules at Ingleside Hospital. Schedule changes, if necessary, must be requested and approved by Ingleside Administrator. All schedule changes must fit within appropriate serving time frames meeting Title 22 regulations, and must be accompanied by 30-day written notification.
- P. Hair Coverings and Aprons: Ingleside Hospital shall ensure that its employees wear appropriate hair coverings and aprons. All employee hair coverings and aprons hereunder shall be provided by Ingleside Hospital.
- Q. Notification: Ingleside Hospital management staff will provide to County Administration staff reports of any hazardous spills.

## EXHIBIT E

### LAUNDRY/LINEN STATEMENT OF WORK

1. GENERAL: Ingleside Hospital shall provide laundry/linen service (hereinafter "laundry services") to Medical Center hereunder as set forth in this Exhibit. Such services shall include, but are not limited to, the provision of personnel, supplies, and equipment necessary to perform the laundry services as set forth in the Ingleside Policy and Procedures manual. Any service discrepancies will be resolved by the meeting of both parties. Ingleside shall provide laundry response to special housekeeping needs as requested by LAC+USC Medical Center personnel after consultation with Ingleside Management. Ingleside shall provide call back laundry services.
2. KEY PERSONNEL: Ingleside Administration shall designate an employee to act for Ingleside on all contract matters relating to the daily operation of laundry services for LAC+USC Medical Center operations at Ingleside and shall be available to LAC+USC Administrator, between 7:30 a.m. and 4:00 p.m., Monday through Friday, and shall be on call 24-hours-a-day in case of an emergency. The Ingleside designee shall provide overall management and coordination of laundry services and shall act as the central point of contact with County personnel for such services.

Ingleside Hospital shall inform LAC+USC Administrator in writing, of the individual(s) designated and alternatives at the time the Agreement is executed and as any changes occur.

The Ingleside designee shall be available for scheduled and unscheduled meetings with County personnel, and/or regulatory agencies, inspections, reviews or surveys.

3. QUALITY CONTROL AND QUALITY ASSURANCE: Ingleside Hospital shall establish and maintain a written quality control and quality assurance plan to assure that the requirements of this Exhibit are met. Such plan shall be approved by LAC+USC Medical Center's Infection Control Committee, Quality of Care Committee, in conjunction with Ingleside/LAC+USC Administrators prior to the effective date of this Agreement. Ingleside Hospital shall review and update such Quality Control Plan annually or as changes occur. The plan embodied within Housekeeping shall include a list of all washing formulas to be used for various classifications of wash.
4. HOURS OF OPERATION:
  - A. Normal Hours: Ingleside shall maintain required service hours to meet LAC+USC Medical Center's par level requirements, for soiled linen pickup and delivery Monday through Sunday in accordance with the delivery schedule mutually agreed upon by both parties and shall be available in

## EXHIBIT E

### LAUNDRY/LINEN STATEMENT OF WORK

case of emergencies such as a sudden increase in patient census due to a natural or other disaster or general emergency.

- B. Recognized Holidays For purposes of this exhibit only, County shall recognize Ingleside Hospital holidays, and Ingleside shall notify LAC+USC Administrator of Ingleside holidays prior to contract implementation. Ingleside is required to make an extra delivery on the day before their holidays to ensure an adequate linen supply.
5. COUNTY OBSERVATION: County personnel authorized by LAC+USC Administrator may, from time to time, observe contractor's laundry services operations. However, these personnel shall not unreasonably interfere with contractor's performance.
6. SPECIFIC TASKS:
- A. Pickup and Delivery: Ingleside shall provide seven day coverage for pickup and five day coverage for delivery of linen (including Monday through Friday) at LAC+USC units, using a system and schedule which shall be mutually agreed upon by Ingleside and LAC+USC Administrators.
- B. Par Levels: Ingleside shall ensure that adequate levels of clean linen, as defined by Ingleside/LAC+USC Administrators, are on hand at LAC+USC Medical Center's Ingleside campus at all times.
- C. Sorting: Contractor shall sort all soiled linen for washing at its plant site. All clean linen shall be sorted by classification.
- D. Laundering: Contractor shall wash all soiled linen.
- E. Pressing: Contractor shall press selected linen as required. Each piece must be folded where the laundry number can be clearly seen.
- F. Rough dry: Contractor shall sort linen which is folded, bagged, or tied into bundles according to classification.
- G. Flatwork: Contractor shall finish items which are first conditioned and then processed through the flatwork ironers at the speed that results in the best outcome of that item. The process is done by classification. Blankets are not to be ironed.
- H. New Linen Processing: Contractor shall process new linen per requirement of the individual items.

## EXHIBIT E

### LAUNDRY/LINEN STATEMENT OF WORK

- I. De-linting: Contractor shall perform all de-linting of laundered items.
- J. Re-wash, Repair, or Replace: Contractor shall re-wash,-repair, or replace at no additional cost to LAC+USC Medical Center all linen requiring re-wash, repair, or replacement if the item does not meet LAC+USC Medical Center quality assurance requirements.
  - (1) Contractor shall be responsible for identifying items to be re-washed, repaired, or replaced before clean linen is returned to LAC+USC Medical Center's Ingleside Campus.
  - (2) Linen identified by LAC+USC Medical Center for re-wash, repair, or replacement shall be separately bagged and appropriately marked by County.
  - (3) Contractor shall not bill LAC+USC Medical Center for any of the above items in this paragraph if such item does not meet Medical Center's quality assessment and improvement requirements plan specifications. However, Contractor reserves the right to charge for a re-wash at the per pound rate when it is determined that the need for re-wash was the fault of Medical Center personnel or when the need for re-wash was caused by circumstances beyond the control of the contractor.
- K. Linen Purchase: Ingleside shall be responsible for purchasing all linens to meet par levels.
- L. NOT APPLICABLE
- M. Monthly Service Report: At a minimum, Ingleside shall provide routine monthly reports which reflect, the clean linen coming into the County units by pieces, pH and titration test results, and the number of laundry items repaired by pieces, where applicable.

#### 7. COMPLIANCE/MISCELLANEOUS:

- A. Laundry Schedules: Ingleside shall deliver designated amounts of laundry delivered from processing plant, to a designated location at LAC+USC Medical Center's Ingleside units on schedules determined in writing by LAC+USC Administrator in conjunction with Ingleside Administrators. Such schedules may be changed by Administrator with prior consultation with Ingleside Contract Coordinator



## EXHIBIT E

### LAUNDRY/LINEN STATEMENT OF WORK

Such schedules may be changed by Administrator with prior consultation with Ingleside Contract Coordinator

- B. County Inspections: All of Ingleside's real and personal property and any other real and personal property used by Ingleside to provide services hereunder shall be accessible to and subject to inspection by County representatives in conjunction with Ingleside Management.
- (1) Ingleside Management shall report any hazardous spills, equipment malfunctions, or general safety problems to the LAC+USC Psychiatric Services Administrator immediately with a plan of correction.
  - (2) Ingleside Management shall report any licensing, regulatory problems and corrective actions to the LAC+USC Psychiatric Services Administrator immediately.
- C. Linen Care Standards: Contractor shall comply with accepted hospital industry linen care standards, including, but not limited to standards of the Textile Rental Association, the International Fabric Care Institute, and Ingleside's standards.
- D. Emergency Laundry Services: Within thirty (30) calendar days after contract implementation, Ingleside shall provide to Administrator a complete disaster plan to provide services hereunder for at least one seven day period. This plan shall include, but not be limited to, basic procedures for processing soiled linen, who shall perform key tasks, and what inventory is kept for emergency use. Such plan shall be subject to written approval of Administrator.

Ingleside shall continue to provide all laundry services hereunder during any work action or strike to the fullest extent permitted by law, including the National Labor Relations Act and any similar State laws, as well as during any disaster, as determined by Administrator. In the event of any disaster, any additional expenses of Ingleside to provide services hereunder shall be reimbursed by Los Angeles County.

Ingleside agrees to participate in activities of LAC+USC Medical Center's Disaster Committee to plan for continued laundry service delivery in the event of any emergency or disaster.

## **EXHIBIT E**

### **LAUNDRY/LINEN STATEMENT OF WORK**

8. **LINEN SUPPLIES:** During the term of this Agreement, contractor shall have responsibility for procurement of new and replacement bed sheets, pillows, pillow covers, blankets, bed spreads, towels, washcloths, cubicle curtains, drapes, and window curtains, as needed, and for warehousing of all bulk stock.

## EXHIBIT F

### HOUSEKEEPING STATEMENT OF WORK

1. GENERAL SCOPE OF WORK: Ingleside Hospital shall provide all housekeeping services required by LAC+USC Medical Center to County units at Ingleside. Such services shall include, but are not limited to, the provision of personnel, supplies, and equipment necessary to perform the housekeeping services as set forth in the Ingleside Policy and Procedures manual. Any service discrepancies will be resolved by the meeting of both parties. Ingleside shall provide housekeeping in response to special housekeeping needs as requested by LAC+USC Medical Center personnel after consultation with Ingleside Management. Ingleside shall provide call back housekeeping services.
2. DEFINITIONS:
  - A. Contract Monitor: That County officer or employee, designated by Administrator, responsible for coordinating County responsibilities and interfacing with Ingleside Hospital representatives in the daily performance of housekeeping services under this Agreement.
  - B. Floor Maintenance:
    - (1) Sweep Floor: Sweeping of non- carpeted floor using a dust control tool, including corners, baseboards and inaccessible areas, such as behind beds. Furniture shall be moved as needed (except occupied patient's beds) to accomplish this. Furniture shall be returned to original location.
    - (2) Wet Mop Floor: Wet mopping of non-carpeted floors with approved detergent germicidal solution. Floors must be swept prior to each mopping. Baseboards shall be kept free of dust, stains, gum, splash marks, tape and old seal.
    - (3) Spray Buff Floor: Spraying of non-carpeted floor with a non-slip finish.
    - (4) Scrub or Refinish Floor: Removal of old finish and seal vinyl floors and the reapplying of suitable approved non-slip finish. All floors will be maintained in a clean state, free of build up of dirt and black marking, stains, and gum, and with a gloss acceptable to Ingleside Hospital and LAC+USC Medical Center Administrators. The unit will be vacated a minimum of four (4) hours during the scrubbing and refinishing process.
    - (5) Floor Finish: The buffing of floors between refinishing with products approved in conjunction with Ingleside and LAC+USC Medical

## EXHIBIT F

### HOUSEKEEPING STATEMENT OF WORK

Center Administrators.

- (6) Spot Carpet: The inspection of and removal of spots and stains, from carpeted floors.
- (7) Shampoo Carpet: The shampooing of carpet with an approved carpet shampoo.
- (8) As-Needed: A service to be provided more often than schedule designates, as needed.

C. Regular Finishing Work:

- (1) Damp Dust: The dusting with a cloth moistened with detergent germicidal solution.
- (2) Clean Bathroom Fittings: The cleaning, with a detergent germicidal solution, of toilet (inside and out), seat and cover (top and bottom), urinals, shower (wall, floor, door, shower curtain), bathtub (inside and out), sink (inside and out), fittings and pipes, towel and paper fittings, soap dispenser,. Ingleside shall also clean any of the above items found at locations other than bathrooms.
- (3) Replenish Supplies: The replenishing of paper towels, toilet paper, toilet seat covers, soap in soap dispensers at all sinks and bathrooms (excluding patient care areas) and placement of such items in proper dispensers. No excess supplies are to be left in areas.
- (4) Clean Stainless Steel

D. Routine Housekeeping Services: Custodial maintenance tasks which are performed on a regular basis including custodial cleaning, interior window washing, pest extermination light fixture cleaning, and rubbish removal services.

- 3. INSPECTIONS: Work areas or locations, or both, located in County occupied units shall be accessible to and subject to inspection by County personnel designated by Administrator or Director.

## EXHIBIT F

### HOUSEKEEPING STATEMENT OF WORK

#### 4. PERSONNEL:

A. Ingleside Personnel: Ingleside shall provide administrative, supervisory, and all other necessary personnel to accomplish all work required. Ingleside shall designate its own full-time employee as on-site Housekeeping Manager.

B. Training of Ingleside Personnel:

Type of Training: Ingleside Management shall provide training programs for all new housekeeping personnel and on-going in-service training for other housekeeping personnel, regarding the cleaning needs of LAC+USC Medical Center's units at Ingleside and shall train their employees in each of the following:

- Patient area cleaning
- Non-patient area cleaning
- Patient discharge cleaning
- Bed cleaning and disinfecting
- Daily floor maintenance
- Periodic floor maintenance
- Auxiliary cleaning
- Infection control
- Restroom cleaning
- Upholstery and chair cleaning
- Window cleaning
- Hazardous waste disposal procedures
- Needle handling/infectious waste disposal
- Supply replenishment
- Equipment cleaning
- High dusting

Administrator may provide Ingleside (if requested) with assistance in training for certain specialized areas, e.g., radiation, hazardous materials.

#### 5. QUALITY ASSESSMENT AND IMPROVEMENT PLAN:

A. In accordance with the provisions of Quality Assessment and Performance Improvement within the body of this Agreement, Ingleside shall establish and maintain a written Housekeeping Quality Assessment and Improvement Plan to assure that all requirements as set forth herein are met, that all housekeeping services provided by Ingleside are of a high quality and that problems are identified and resolved in a timely manner.

## EXHIBIT F

### HOUSEKEEPING STATEMENT OF WORK

- B. The Housekeeping Quality Assessment and Improvement Plan shall include, but not limited to, the following:
- (1) The methods for identifying and preventing deficiencies in the quality of services performed.
  - (2) A monitoring mechanism that covers all the services listed herein.
  - (3) A monthly Assessment and Improvement Report to the monthly EOC Committee.
  - (4) A contingency plan to assure that provision of services to the LAC+USC Medical Center units at Ingleside will continue in the event of an employee shortage, strike, natural disaster, civil disturbance, or other emergency.
  - (5) A system of retaining the results of all reviews conducted by Ingleside and documentation of any corrective action taken. The documentation shall be maintained at Ingleside and shall be available to Administrator upon request.

6. FACILITY SECURITY:

- A. Refer to Ingleside Hospital "Visitor Access to Hospital Grounds."

7. HOUSEKEEPING SERVICES

- A. General: Ingleside shall furnish all labor, materials, supplies, and equipment necessary for the provision of all housekeeping services hereunder.

B. Supplies:

- (1) Ingleside shall provide all cleaning materials and supplies required, including, but not limited to:

Bleach, liquid  
Towels, Paper C-Fold/White  
Towels, Paper, Normal Fold  
Bags, Plastic  
Hand soap – Lotion  
Paper toilet rolls

## EXHIBIT F

### HOUSEKEEPING STATEMENT OF WORK

Seat covers, toilet  
Sharps containers

- (2) Ingleside shall have at least one (1) month of cleaning supplies\* and materials in its warehouse to meet the needs of any emergency i.e., earthquakes, floods, fire, labor strikes, etc.

***LAC+USC requires that Material Safety Data Sheets (MSDS) for all chemicals, solutions and hazardous materials to be located in a readily accessible location in the event of a contamination.***

- (3) Detergents and disinfectants shall be in accordance to regulatory guidelines.
- (4) Ingleside shall post in linen closets a list of cleaning supplies and materials to be used by brand name, including OSHA and EPA registration numbers when required at least thirty (30) calendar days prior to the commencement of services hereunder.

C. Identification Badges and Dress Code:

Ingleside Management/LAC+USC Medical Center are responsible to ensure that all employees wear identification badges and shall enforce dress codes.

D. Equipment:

Ingleside shall furnish all equipment necessary to perform all housekeeping services hereunder which shall result in an acceptable and professional level of cleaning. The purchase of all equipment to provide the required services is the responsibility of Ingleside. Maintenance of equipment to provide the required services is the responsibility of Ingleside. Maintenance of equipment shall be the responsibility of Ingleside as set forth in the Lease Agreement as described in the body of this Agreement.

E. Service Requirements:

- (1) Patient Care Areas: Provide routine housekeeping services sixteen (16) hours per day, five (5) days per week Monday thru Friday 7:00 A.M. to 11:00 P.M. to LAC+USC Medical Center's Ingleside Campus, and provide routine housekeeping services twelve (12) hours per day, two (2) days per week, Saturday and Sunday 7:00 A.M. to 7:00 P.M. and Holidays and provide timely response to

## EXHIBIT F

### HOUSEKEEPING STATEMENT OF WORK

special housekeeping needs, adjacent patio, when requested.

- (a) Sweep floors seven (7) days per week and as needed. Sweep all non-carpeted areas using a dust *control* tool daily including corners, baseboards and inaccessible areas such as behind beds.
- (b) Vacuum carpeted floors daily and as needed.
- (c) Wet mop floors seven (7) days per week. Wet mop all non-carpeted floors with approved germicidal solution. Medicine rooms and toilets must be mopped a minimum of one (1) time daily, and as-needed.
- (d) Mop up spills seven (7) days per week and as needed, including emesis, blood, urine, feces and sputum. Mop up major spills on request.
- (e) Mop, scrub monthly, and strip floors at least once every 6 months. The floors will be maintained in a clean manner, free of build-up of dirt and black markings.
- (f) Apply finish to floors monthly (more frequently where needed).
- (g) Spray buff floors with frequency as needed. Mop all floors before spray buffing. Spray buff all patient care (to include waiting rooms, lobbies, nursing stations, exam rooms, patient rooms) once (1X) per week. The floors will be maintained in a clean manner, free of build-up of finish or dirt and black markings, and with a gloss acceptable to Administrator.
- (h) Clean baseboards seven (7) days per week. Keep baseboards free of dust, splash marks and old seal.
- (i) Spot carpets once (1X) days per week unless needed more frequently. Check and remove spots and stains from carpeted areas.
- (j) Shampoo carpets. The frequency of shampooing will be semi-annually or as needed as determined by Administrator.



## EXHIBIT F

### HOUSEKEEPING STATEMENT OF WORK

- (2) Offices: Routine housekeeping services shall also provide housekeeping services to physician on-call rooms.
- (3) Regular Finishing Work:
  - (1) Damp dust three (3) days per week. Using a germicidal solution, dust the head, foot and side rail of gurneys/beds, bedside tables, external surfaces of lockers and cabinets, miscellaneous furniture and fittings, window sills and ledges, television sets, telephones and external surface of vents three times weekly.
  - (2) Ingleside shall collect and remove all trash as set forth in Waste Collection and Removal Guidelines herein-below.
  - (3) Clean bathroom fittings seven (7) days per week and as needed.
    - (a) Thoroughly clean and disinfect seat, seat covers (on both sides), towel and paper fittings and sinks. Scrub shower floors and wipe clean shower walls and curtains. Cleaning will include inside and outside of basins, drain covers and outside of basins, drain covers and vent openings, bath and toilets, damp dusting pipes once daily.
    - (b) Replenish soap, towels, toilet paper and seat covers in all restrooms, twice daily, and as needed.
    - (c) Vertical surfaces shall be cleaned seven days per week and as needed. Remove finger marks, smears, spillages, splashes, etc. from walls, doors, and door jams.
    - (d) Drinking fountains shall be cleaned seven (7) days per week, and as needed. Clean and polish water fountains daily.
    - (e) Dust all high level ledges, televisions, fittings and unoccupied closets, not listed for daily dusting two (2) days per week.
    - (f) Clean stainless steel seven (7) days per week. Damp

## EXHIBIT F

### HOUSEKEEPING STATEMENT OF WORK

wipe and clean stainless steel and other metal kickplates, railings, wall corner coverings, door handles, door frame and foot plates, portable chart racks, and casters and wheels on all furniture and equipment.

- (4) Discharges or transfers: Upon discharge or transfer of a patient, (within a reasonable time), remove all personal items and belongings of patient from his/her assigned area which were not taken or transferred with patient and complete the following within one (1) hour:
  - (a) Beds: Strip and thoroughly wash all surfaces, beds and mattresses with germicidal solution. Make beds with fresh linen.
  - (b) Furniture: Thoroughly wash all furniture inside and outside with germicidal solution.
  - (c) Lockers: Scrub inside and outside of closet with germicidal solution.
  - (d) Trash: Empty, wash and place fresh liner (Paper bag) in wastepaper container.
- (5) General Cleaning:
  - (a) Walls: Check and wash painted and tiled walls.
  - (b) Curtains: Inspect curtains and drapes and replace if needed (Not Applicable)
  - (c) Drapes: Same as above.
  - (d) Floor Surfaces: Sweep floors and wet mop with approved germicidal solution.
  - (e) Remove items from window ledges, clean window sills, and damp dust with germicidal solution.
  - (g) Spot and/or wash walls - Seven (7) days per week and as needed.

## EXHIBIT F

### HOUSEKEEPING STATEMENT OF WORK

- (h) Utility Rooms - Sweep floors, seven (7) days per week, on each shift. All floors must be swept prior to each mopping.) Damp dust with germicidal solution. Thoroughly clean and disinfect faucets twice daily. Damp mop floor with germicidal solution twice daily.
  - (i) Dust lights - Once per week. Dust exterior surfaces of ceiling light fixtures.
  - (j) Clean soap dispensers, each day and as needed.
  - (k) Mini blinds must be damp dusted and/or vacuum cleaned weekly and as needed.
  - (l) Clean or scrub, or both, with germicidal solution all patient care equipment such as portable equipment, gurneys, IV poles, etc. daily and after each patient's use.
  - (m) Clean or scrub, or paint as necessary all graffiti from all walls (including main hallways, exam rooms, showers and patient meeting and sleeping areas.
- (6) Administrative Areas (Offices):
- (a) Other Service Areas:
    - Sweep daily and as needed. Sweep all accessible areas with dust control tool or wash down if exterior area. Empty trash containers and paper shredders.
    - Damp mop daily and as needed accessible areas with dust control tool or Damp mop floors, removing spots and spillages.
    - Dust daily and as needed. Dust high and low level surfaces and furniture.

## EXHIBIT F

### HOUSEKEEPING STATEMENT OF WORK

- (7) Floor Service: Ingleside Hospital's Housekeeping Manager will plan and schedule a regular carpet maintenance program which includes daily vacuuming, spot and stain cleaning and shampooing.
- (8) Other Services: (Including verbal and telephone requests)
  - (a) Clean conference rooms, meeting rooms, daily.
  - (b) Move furniture and equipment upon request by the Administrator or designee. This includes beds, examining tables, and equipment and furniture for use from storage.
  - (c) Ingleside Hospital shall maintain an on-going cleaning program for the removal of debris and dirt from wheels of equipment.
  - (d) Wash light fixtures once a year or as needed.
  - (e) Report to Nurse in charge and Administrator hazardous conditions and items in need of repair.
  - (f) Turn in lost and found articles to Administrator.
- (9) Window Washing Services All County Units:
  - (a) Frequencies: Window washing services shall be provided by Ingleside Hospital and shall occur between 7:00 a.m. and 4:00 p.m., Monday through Friday, except legal holidays. Window washing services shall be provided at least once every six months.
  - (b) Item Movement: Ingleside shall move books, papers, flower pots, or other items on window ledges or sill, move furniture such as desks, tables, cabinets, or any other item in front of windows to allow for window washing. All office furniture which cannot be moved must be covered with plastic cover. The window washer shall not stand on top of furniture. Upon completion of washing windows, Ingleside Hospital personnel shall return all items that were moved to their original location.
- (10) Window Washing Specific Duties: Ingleside Hospital Personnel shall wash all interior and exterior glass, metal frames, metal louvers, porcelain panels, window sills (inside

## EXHIBIT F

### HOUSEKEEPING STATEMENT OF WORK

and outside), and ledges completely, including stainless steel millions, aluminum mullions and window screens.

- Ingleside Hospital Personnel shall leave windows and the adjacent surrounding areas in a clean condition removing streaks and water marks from all windows, walls, and ledges. Ingleside Hospital shall lock all windows. Ingleside Hospital Personnel shall remove excess water from floors in the immediate area and remove all water and cleaning agents before leaving the area.
- Ingleside Hospital shall remove all cleaning equipment from areas after completion of work.

- (11) Safety Standards: Equipment such as ladders, scaffolds, safety belts, lifts, etc., shall meet California OSHA Safety Standards. Ingleside shall perform all window cleaning techniques and practices in a safe manner in accordance with the "Window Cleaning Safety Orders," issued by the Division of Industrial Safety of the State of California. Ingleside Hospital Personnel shall rope off areas or post signs when working overhead, to prevent individuals from walking into the working area.

#### 8. PEST EXTERMINATION SERVICES

- A. Frequencies: Ingleside Hospital shall provide pest extermination services as required by State law and as needed. Services will be available five (5) days per week Monday through Friday.
- B. Inspections: Ingleside Hospital shall inspect building and grounds to locate, identify, and eradicate infestations of pests, rodents, etc., prepare and use poison bait, insecticides, and traps in infested areas. Ingleside Hospital shall identify conditions conducive to infestation and develop and implement preventive pest control programs subject to County approval
- C. All work involving the use of chemicals will be performed by a State of California licensed pest control operator.
- D. All regulations and safety precautions listed in the Pesticide Information and Safety Manual, published by the University of California will be adhered to. County shall provide Ingleside with two (2) copies of manual.

## EXHIBIT F

### HOUSEKEEPING STATEMENT OF WORK

Inspection services shall be provided weekly in patient and dietary areas and monthly in office areas.

#### 9. SOLID WASTE COLLECTION AND REMOVAL:

- A. General: All solid waste shall be collected and removed by Ingleside Hospital Personnel from the County units daily and placed into a Ingleside Hospital provided receptacle. Trash removal and disposal responsibility shall be the Ingleside Hospital's responsibility. Rooms used for collection of solid waste must be cleaned. Ingleside Hospital shall wash all cans used for collection of food remnants, inside and out, or steam clean daily. (Note: carts and containers used for the collection or storage, or both, of waste material shall be non-combustible or of flame resistant construction. Carts and containers composed of material labeled or listed as approved by Underwriters Laboratories, Inc. will be acceptable.)

Ingleside Hospital shall dispose of trash six (6) days per week in accordance with Section 70845 of Title 22. Ingleside Hospital shall empty and clean all ash trays and waste paper baskets daily and as needed, replace fresh liners if needed, deposit trash in dumpster as trash bags are filled, and remove jams or blockages that may occur in the dumpster as required. Ingleside Hospital shall deliver all trash from building to trash or dumpster.

- B. Biohazardous Waste: Ingleside Hospital shall remove/dispose of biohazardous waste daily seven (7) days per week in accordance with the Health and Safety Code, Division 20, Chapter 6.1, Medical Waste Management Act, commencing with Section 25015 incorporated herein by reference. Ingleside Hospital shall perform further removal to prevent biohazardous wastes remaining over night in patient areas.

Biohazardous waste (also defined as medical waste) is any waste material or article which harbors or may reasonably be considered to harbor viable etiologic agents, including laboratory wastes, pathologic and surgical specimens, blood elements, excreta and S secretions, disposable fomites, and any other wastes the Medical Center's Infection Control Committee defines as an infectious waste.

Biohazardous waste shall be stored and disposed of in double disposal plastic bags which are impervious to moisture and have a strength sufficient to preclude ripping, tearing or bursting under normal conditions of usage and handling. The bags shall be securely tied to prevent leakages of solid or liquid wastes during storage, handling, or transport. All

## EXHIBIT F

### HOUSEKEEPING STATEMENT OF WORK

bags used for collection, storage, and disposal of biohazardous waste shall be red in color. The red bags containing biohazardous waste shall be transported directly to the designated dumpster for disposal. Garbage carts shall not be used to transfer biohazardous waste. Transfer of biohazardous waste between locations where it is produced or stored will be performed in accordance with procedures approved by Administrator. Biohazardous waste shall be picked up from the designated areas before placing into compactors for regular disposal.

- C. Sharps Removal: Waste removal/disposal of "sharps" shall be checked daily, seven (7) days per week and removed as needed when three quarters filled in accordance with State law. "Sharps" means, but it is not limited to, hypodermic syringes, blades and broken glass. For the purpose of this Agreement 'sharps' also include any devices, instruments, or other objects which have acute rigid corners, sharp edges, or other protuberances.
- D. Hazardous Waste: Hazardous waste material removal/disposal shall occur seven (7) days per week and as needed pursuant to Section 70847 of Title 22.

#### 10. INGLESIDE HOSPITAL PROVIDED SPECIAL WRITTEN REQUIREMENTS AND PROCEDURES AS MANDATED BY TITLE 22 AND JCAHO

- A. Quality Control/Quality Assessment and Improvement Program.
- B. Bacteriological testing program which must be reviewed and approved by Medical Center's Infection Control Committee.
- C. Contagious disease cleaning techniques (isolation procedures).
- D. Employee LD. badges.
- E. Fire and disaster drills procedures (also materials).
- F. Employee Policy Manual (employee and supervisor's training classes).
- G. Disposal of contaminated waste and needles procedures.
- H. Bed cleaning procedures.

The above documents are subject to Administrator's review and approval, and shall be ready and available prior to the effective date of Agreement.

|  |     |
|--|-----|
| Exhibit A – Floor Plan of the Premises and Legal Description of the Property | i   |
| Exhibit B – Commencement Date Memorandum and Confirmation of Lease Terms     | ii  |
| Exhibit C – Heating, Ventilation and Air Conditioning Standards              | iii |
| Exhibit D – Dietary Services Statement of Work                               | v   |
| Exhibit E – Laundry/Linen Statement of Work                                  | vi  |
| Exhibit F – Housekeeping Statement of Work                                   | vii |

Supplemental Lease Documents:

|               |   |
|---------------|---|
| Document I:   | Subordination, Non-disturbance and Attornment Agreement |
| Document II:  | Sublessee Estoppel Certificate                          |
| Document III: | Community Business Enterprises Form                     |
| Document IV:  | Memorandum of Lease Terms                               |
| Document V:   | Request for Notice                                      |



**SUPPLEMENTAL LEASE DOCUMENTS**

**For**

**COUNTY OF LOS ANGELES  
CHIEF EXECUTIVE OFFICE  
LEASE AND AGREEMENT**

**DEPARTMENT: HEALTH SERVICES, as Tenant**

**LANDLORD: INTERCARE HEALTH SYSTEMS**

**7500 E HELLMAN AVENUE, ROSEMEAD**

**\*\*\*\*\***

Document I - Subordination, Nondisturbance and Attornment Agreement

Document II - Tenant Estoppel Agreement

Document III - Community Business Enterprises Form

Document IV - Memorandum of Lease

Document V - Request for Notice

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**DOCUMENT I**

**SUBORDINATION, NONDISTURBANCE  
AND ATTORNMENT AGREEMENT**

**AND WHEN RECORDED MAIL TO:**

)  
)  
County of Los Angeles )  
Chief Executive Office )  
Real Estate Division )  
222 South Hill Street )  
3rd Floor )  
Los Angeles, California 90012

Space above for Recorder's Use

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**SUBORDINATION, NONDISTURBANCE  
AND ATTORNMENT AGREEMENT**

**NOTICE: THIS SUBORDINATION, NONDISTURBANCE AND ATTORNMENT AGREEMENT RESULTS IN YOUR LEASEHOLD ESTATE BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.**

This Subordination, Nondisturbance and Attornment Agreement ("Agreement") is entered into as of the \_\_\_\_ day of \_\_\_\_\_, 200\_\_ by and among COUNTY OF LOS ANGELES, a body politic and corporate ("Tenant"), \_\_\_\_\_, ("Borrower") and [*Insert name of Lender*], ("Lender").

**Factual Background**

A. Borrower owns certain real property more particularly described in the attached Exhibit A. The term "Property" herein means that real property together with all improvements (the "Improvements") located on it.

B. Lender has made or agreed to make a loan to Borrower. The Loan is or will be secured by a deed of trust or mortgage encumbering the Property (the "Deed of Trust").

C. Tenant and Borrower (as "Landlord") entered into a lease dated \_\_\_\_\_ (the "Lease") under which Borrower leased to Tenant a portion of the Improvements located within the Property and more particularly described in the Lease (the "Premises").

D. Tenant is willing to agree to subordinate certain of Tenant's rights under the Lease to the lien of the the Deed of Trust and to attorn to Lender on the terms and conditions of this Agreement. Tenant is willing to agree to such subordination and attornment and other conditions, provided that Lender agrees to a nondisturbance provision, all as set forth more fully below.

## Agreement

Therefore, the parties agree as follows:

1. Subordination. The lien of the Deed of Trust and all amendments, modifications and extensions thereto shall be and remain at all times a lien on the Property prior and superior to the Lease, except that if Tenant is granted any option to extend the Term of the Lease, right of first offer to lease additional premises or option to purchase the Property or right of first offer to purchase the Property in the Lease, such provisions shall not be affected or diminished by any such subordination..

2. Definitions of "Transfer of the Property" and "Purchaser". As used herein, the term "Transfer of the Property" means any transfer of Borrower's interest in the Property by foreclosure, trustee's sale or other action or proceeding for the enforcement of the Deed of Trust or by deed in lieu thereof. The term "Purchaser", as used herein, means any transferee, including Lender, of the interest of Borrower as a result of any such Transfer of the Property and also includes any and all successors and assigns, including Lender, of such transferee.

3. Nondisturbance. The enforcement of the Deed of Trust shall not terminate the Lease or disturb Tenant in the possession and use of the leasehold estate created thereby.

4. Attornment. Subject to Section 3 above, if any Transfer of the Property should occur, Tenant shall and hereby does attorn to Purchaser, including Lender if it should be the Purchaser, as the landlord under the Lease, and Tenant shall be bound to Purchaser under all of the terms, covenants and conditions of the Lease for the balance of the Lease term and any extensions or renewals of it which may then or later be in effect under any validly exercised extension or renewal option contained in the Lease, all with the same force and effect as if Purchaser had been the original landlord under the Lease. This attornment shall be effective and self-operative without the execution of any further instruments upon Purchaser's succeeding to the interest of the landlord under the Lease.

5. Lender Not Obligated. Lender, if it becomes the Purchaser or if it takes possession under the Deed of Trust, and any other Purchaser shall not (a) be liable for any damages or other relief attributable to any act or omission of any prior Landlord under the Lease including Borrower; or (b) be subject to any offset or defense not specifically provided for in the Lease which Tenant may have against any prior landlord under the Lease; or (c) be bound by any prepayment by Tenant of more than one month's installment of rent; or (d) be obligated for any security deposit not actually delivered to Purchaser; or (e) be bound by any modification or amendment of or to the Lease unless the amendment or modification shall have been approved in writing by the Lender.

6. Notices. All notices given under this Agreement shall be in writing and shall be given by personal delivery, overnight receipted courier or by registered or certified United States mail, postage prepaid, sent to the party at its address appearing below. Notices shall be effective upon receipt (or on the date when proper delivery is refused). Addresses for notices may be changed by any party by notice to all other parties in accordance with this Section..

To Lender: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

To Borrower: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

To Tenant: County of Los Angeles  
Chief Administrative Office  
Real Estate Division  
222 South Hill Street, 3rd Floor  
Los Angeles, California 90012  
Attention: Director of Real Estate

7. Miscellaneous Provisions. This Agreement shall inure to the benefit of and be binding upon the parties and their respective successors and assigns. This Agreement is governed by the laws of the State of California without regard to the choice of law rules of that State.

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TENANT: COUNTY OF LOS ANGELES,  
a body politic and corporate

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

BORROWER: *[Insert name of Landlord]*

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

LENDER: *[Insert name of Lender],*

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

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**DOCUMENT II**  
**TENANT ESTOPPEL CERTIFICATE**

To: [Insert name of party to rely on document]

Attn: \_\_\_\_\_

Re:   Date of Certificate: \_\_\_\_\_  
      Lease Dated: \_\_\_\_\_  
      Current Landlord: \_\_\_\_\_  
      Located at: \_\_\_\_\_  
      Premises: \_\_\_\_\_  
      Commencement Date of Term: \_\_\_\_\_  
      Expiration Date: \_\_\_\_\_  
      Current Rent: \_\_\_\_\_

County of Los Angeles ("Tenant") hereby certifies that as of the date hereof:

1.     Tenant is the present owner and holder of the tenant's interest under the lease described above, as it may be amended to date (the "Lease"). The Lease covers the premises described above (the "Premises") in the building (the "Building") at the address set forth above.

2.     (a)    A true, correct and complete copy of the Lease (including all modifications, amendments, supplements, side letters, addenda and riders of and to it) is attached to this Certificate as Exhibit A.

      (b)    The current Rent is set forth above.

      (c)    The term of the Lease commenced on the Commencement Date set forth above and will expire on the Expiration Date set forth above, including any presently exercised option or renewal term. Tenant has no option or right to renew, extend or cancel the Lease, or to lease additional space in the Premises or Building, or to use any parking other than that specified in the Lease.

      (d)    Except as specified in the Lease, Tenant has no option or preferential right to purchase all or any part of the Premises (or the land of which the Premises are a part).

      (e)    Tenant has made no agreement with Landlord or any agent, representative or employee of Landlord concerning free rent, partial rent, rebate of rental payments or any other similar rent concession except as expressly set forth in the Lease.

3.     (a)    The Lease constitutes the entire agreement between Tenant and Landlord with respect to the Premises, has not been modified changed, altered or amended and is in full force

and effect. There are no other agreements, written or oral, which affect Tenant's occupancy of the Premises.

[(b) To the knowledge of Tenant, Tenant has not given Landlord written notice of a material default under the Lease which has not been cured.]

(b) The interest of Tenant in the Lease has not been assigned or encumbered. Tenant is not entitled to any credit against any rent or other charge or rent concession under the Lease except as set forth in the Lease. No rental payments have been made more than one month in advance.

4. All contributions required to be paid by Landlord to date for improvements to the Premises have been paid in full and all of Landlord's obligations with respect to tenant improvements have been fully performed.

IN WITNESS WHEREOF, the Tenant has executed this Tenant Estoppel Certificate as of the day set forth above.

COUNTY OF LOS ANGELES

By: \_\_\_\_\_

\_\_\_\_\_

Name: \_\_\_\_\_

\_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_

**DOCUMENT III**

**COMMUNITY BUSINESS ENTERPRISES FORM**

INSTRUCTIONS: All Landlords shall submit this form on an annual basis on or before December 30th of each year of the term of this agreement as evidence of MBE/WBE participation. The information requested below is for statistical purposes only. On final analysis and consideration of lease will be selected without regard to gender, race, creed, or color. Categories listed below are based on those described in 49 CFR Section 23.5.

I. MINORITY/WOMEN PARTICIPATION IN FIRM (Partners, Associates Partners, Managers, Staff, etc.)

FIRM: NAME

ADDRESS

CONTACT

TELEPHONE NO.

TOTAL NUMBER OF EMPLOYEES IN FIRM: \_\_\_\_\_

|   | OWNERS/PARTNERS<br>ASSOCIATE PARTNERS | MANAGERS | STAFF |
|---|---------------------------------------|----------|-------|
| Black/African American  | _____                                 | _____    | _____ |
| Hispanic/Latin America  | _____                                 | _____    | _____ |
| Asian American  | _____                                 | _____    | _____ |
| Portuguese American   | _____                                 | _____    | _____ |
| American Indian/ Alaskan<br>Native  | _____                                 | _____    | _____ |
| All Others  | _____                                 | _____    | _____ |
| Women (Should be included<br>in counts above <u>and</u> also<br>reported here separately) | _____                                 | _____    | _____ |

II. PERCENTAGE OF MINORITY/WOMEN OWNERSHIP IN FIRM

TYPE OF BUSINESS STRUCTURE: \_\_\_\_\_

\_\_\_\_\_ (Corporation, Partnership, Sole Proprietorship, etc.)



TOTAL NUMBER OF OWNERSHIP/PARTNERS, ETC.: \_\_\_\_\_

PERCENTAGE OF OWNERSHIP

Black/African American \_\_\_\_\_  
Hispanic/Latin American \_\_\_\_\_  
Asian American \_\_\_\_\_  
Portuguese American \_\_\_\_\_  
American Indian/ \_\_\_\_\_  
Alaskan Native \_\_\_\_\_  
All Others \_\_\_\_\_  
Women \_\_\_\_\_  
(Should be included in counts  
above and also reported  
here separately)

III. CURRENT CERTIFICATION AS MINORITY/WOMEN-OWNED FIRM

IS YOUR FIRM CURRENTLY CERTIFIED AS A MINORITY OWNED BUSINESS  
FIRM BY THE:

|                      |     |    |
|----------------------|-----|----|
| State of California? | Yes | No |
| City of Los Angeles? | Yes | No |
| Federal Government?  | Yes | No |

IV. FIRM'S DESIRE NOT TO RESPOND TO INFORMATION

WE DO NOT WISH TO PROVIDE THE INFORMATION REQUIRED IN THIS  
FORM.

Firm Name: Intercare Health Syst, Inc

Signed: [Signature]

Date: 11/1/12

Title: CEO

**DOCUMENT IV**

**MEMORANDUM OF LEASE**

**RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:**

County of Los Angeles  
Chief Executive Office  
Real Estate Division  
222 South Hill Street  
3rd Floor  
Los Angeles, California 90012  
Attention: Director of Real Estate

This document is recorded for the benefit of the County of Los Angeles and recording is exempt from recording fees pursuant to California Government Code Section 27383. This transaction is exempt from documentary transfer tax pursuant to California Revenue and Taxation Code Section 11922.

---

**MEMORANDUM OF LEASE**

This Memorandum of Lease ("Memorandum") is made and entered into by and between \_\_\_\_\_, (the "Landlord"), and the COUNTY OF LOS ANGELES, a public body corporate and politic duly organized and existing under the laws of the State of California (the "Tenant") who agree as follows:

Landlord and Tenant hereby enter a Lease of certain property (the "Lease") in the County of Los Angeles, State of California, described in Exhibit A attached hereto and incorporated herein by reference, for a term commencing on \_\_\_\_\_, 20\_\_\_\_, and ending on a date \_\_\_\_\_ ( ) years after the commencement date, unless such term is extended or sooner terminated pursuant to the terms and conditions set forth in a certain unrecorded Lease between Landlord and Tenant dated \_\_\_\_\_, 200\_\_.

[Tenant has the option to extend the term of the Lease for a period of \_\_\_\_ ( ) years, subject to the terms and conditions of the Lease.]

This Memorandum has been prepared for the purpose of giving notice of the Lease and of its terms, covenants, and conditions, and for no other purposes. The provisions of this Memorandum shall not in any way change or affect the provisions of the Lease, the terms of which remain in full force and effect.

Dated: \_\_\_\_\_, 20\_\_.

LANDLORD:

TENANT:

\_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

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**DOCUMENT V**  
**REQUEST FOR NOTICE**

**RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:**

County of Los Angeles  
Chief Executive Office  
Real Estate Division  
222 South Hill Street  
3rd Floor  
Los Angeles, California 90012  
Attention: Director of Real Estate

---

**REQUEST FOR NOTICE**

**(UNDER SECTION 2924B CIVIL CODE)**

In accordance with Section 2924b, Civil Code, request is hereby made that a copy of any Notice of Default and a copy of any Notice of Sale under the Deed of Trust described below:

Date of Recording of Deed of Trust

Instrument Number of Deed of Trust

Trustor

Trustee

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Beneficiary

be mailed to County of Los Angeles, Chief Executive Office, Real Estate Division, 222 South Hill Street, 3rd Floor, Los Angeles, California 90012, Attention: Director of Real Estate.

"LENDER:

\_\_\_\_\_,  
a \_\_\_\_\_

By: \_\_\_\_\_  
SIGNEE'S NAME

Its:     SIGNEE'S TITLE

(ALL SIGNATURES MUST BE ACKNOWLEDGED)

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COUNTY OF \_\_\_\_\_ ss.

On this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, before me, \_\_\_\_\_  
\_\_\_\_\_ a Notary Public in and for the State of California, personally appeared \_\_\_\_\_  
\_\_\_\_\_ personally known to me (or proved on the  
basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the  
within instrument and acknowledged to me that he/she/they executed the same in  
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the  
instrument the person(s), or the entity upon behalf of which the person(s) acted, executed  
the instrument.

WITNESS my hand and official seal

Signature \_\_\_\_\_

My commission expires \_\_\_\_\_.

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